

Company registration number 3574122 (England and Wales)

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Profit and loss account	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 33

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

The directors present the strategic report for the period ended 3 September 2022.

Fair review of the business

The company's principal activities during the period continued to be the manufacture and supply of compound animal feed.

Turnover increased by 21% from £138m to £167m, with the majority of the increase in the period relating to higher commodity and energy prices.

Operating profit margins deteriorated slightly during the period, due principally to the price increases referred to above.

The balance sheet further strengthened with £31.4m of shareholders' funds and a current ratio of 177%.

The key financial and other performance indicators during the period were as follows:

	53 week period ended 3 September 2022 £'000	52 week period ended 28 August 2021 £'000
Turnover	167,177	137,957
Operating profit	3,253	3,705
Profit after taxation	2,622	2,652
Shareholders funds	31,420	29,395
Current assets % current liabilities	177%	239%
Average number of employees	204	196

Principal risks and uncertainties

The directors meet regularly to discuss the risks facing the business, the principal risks and uncertainties facing the company are broadly financial instrument and derivative risks:

Financial instruments

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements.

The company does not actively use financial instruments as part of its financial risk management. IT is exposed to the usual credit cash flow risk associated with selling on credit and manages this through credit control procedures.

Commodity price risks

The raw materials used to manufacture the company's animal feeds are subject to fluctuation as they are actively traded commodities. The company continuously monitors its future raw material requirements and utilises forward contracts to mitigate against fluctuating future raw material prices.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

Employees

The company has continued to follow the requirements of Health & Safety at Work Act with concern of the welfare of its employees.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Policy on payments to creditors

Creditors are paid in accordance with terms of business agreed with suppliers.

Given the nature of the company's activities and agreed terms with supplies, the directors have not calculated an average creditor day figure as a whole on the basis that such a statement would not be beneficial.

Climate change

The company is committed to reducing carbon emissions wherever possible and is working with The Carbon Trust to ensure that the company makes optimum use of energy at the factories. The detailed disclosure requirements of the Streamlined Energy and Carbon Reporting Requirements are covered in the report of the parent undertaking Edward Billington and Son Limited.

Section 172 (1) Statement

The Board of directors consider they have acted in ways that they believe in good faith to be most likely to promote the success of the company for the benefit of its shareholders as a whole in the decisions they made during the period ended 3 September 2022.

We recognise our people as our most important asset and aim to be a responsible employer. The health, safety and wellbeing of our people is of the highest importance. Ensuring a safe working environment is paramount in our day to day operations.

Customers are at the heart of everything we do, as is evidenced by our programmes of engagement and support for UK farmers.

We seek to develop long term partnerships with our suppliers which are mutually beneficial and ultimately deliver our customer value and a high quality product.

As the Board of Directors, our intention is always to behave responsibly and to ensure that the business operates in a responsible manner, adhering to high standards of business conduct and good governance. We recognise that the maintenance of our good reputation, founded on responsible behaviour, is fundamental to our continuing ability to achieve profitable growth for the benefit of all our stakeholders in the future.

On behalf of the board

G M Blake

Director

25 May 2023

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

The directors present their annual report and financial statements for the period ended 3 September 2022.

Results and dividends

The results for the period are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

N Austin	(Resigned 26 October 2022)
G M Blake	
Dr M A Cole	(Resigned 26 October 2022)
S G Hughes	
H M Pelham	(Resigned 11 October 2021)
R Quinn	(Appointed 2 February 2023)
P W Steeples	
S B G Wilkinson	

Auditor

The auditor, Mitchell Charlesworth (Audit) Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

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

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 is noted in the strategic report on pages 1 and 2.

On behalf of the board

G M Blake
Director

25 May 2023

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Opinion

We have audited the financial statements of Carrs Billington Agriculture (Operations) Limited (the 'company') for the period ended 3 September 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 September 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period 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.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Identifying and assessing potential risks related to irregularities

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

- the nature of the industry and sector, control environment and business performance;
- the company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the Statement of Comprehensive Income, (ii) the accounting policy for revenue recognition (iii) stock valuation (iv) defined benefit pension assumptions and valuation. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of board meetings and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CARRS BILLINGTON AGRICULTURE (OPERATIONS) 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Johnson

Senior Statutory Auditor

For and on behalf of Mitchell Charlesworth (Audit) Limited

25 May 2023

Accountants

Statutory Auditor

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

		2022	2021
	Notes	£	£
Turnover	3	167,177,038	137,957,267
Cost of sales		(151,983,252)	(122,760,829)
Gross profit		15,193,786	15,196,438
Distribution costs		(9,430,628)	(9,411,415)
Administrative expenses		(2,510,561)	(2,092,555)
Other operating income		-	12,776
Operating profit	4	3,252,597	3,705,244
Interest receivable and similar income	7	91,000	69,000
Interest payable and similar expenses	8	(54,488)	(39,844)
Profit before taxation		3,289,109	3,734,400
Taxation	9	(667,000)	(1,082,000)
Profit for the financial period		2,622,109	2,652,400

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

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED**STATEMENT OF COMPREHENSIVE INCOME*****FOR THE PERIOD ENDED 3 SEPTEMBER 2022***

	2022	2021
	£	£
Profit for the period	2,622,109	2,652,400
	=====	=====
Other comprehensive income		
Actuarial (loss)/gain on defined benefit pension schemes	(796,000)	792,000
Tax relating to other comprehensive income	199,000	(198,000)
	=====	=====
Other comprehensive income for the period	(597,000)	594,000
	=====	=====
Total comprehensive income for the period	2,025,109	3,246,400
	=====	=====

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

BALANCE SHEET

AS AT 3 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		101,296		148,795
Other intangible assets	11		2,577,963		1,963,576
Total intangible assets			2,679,259		2,112,371
Tangible assets	12		10,373,545		8,664,964
Investments	13		70,000		70,000
			13,122,804		10,847,335
Current assets					
Stocks	14	3,464,384		3,064,107	
Debtors	15	36,714,781		24,457,131	
Cash at bank and in hand		1,500		1,500	
		40,180,665		27,522,738	
Creditors: amounts falling due within one year	16	(22,649,332)		(11,506,035)	
Net current assets			17,531,333		16,016,703
Total assets less current liabilities			30,654,137		26,864,038
Creditors: amounts falling due after more than one year	17		(2,064,480)		(768,485)
Provisions for liabilities			(2,161,000)		(1,692,000)
Net assets excluding pension surplus			26,428,657		24,403,553
Defined benefit pension surplus	21		4,991,581		4,991,576
Net assets			31,420,238		29,395,129
Capital and reserves					
Called up share capital	22		500,000		500,000
Profit and loss reserves			30,920,238		28,895,129
Total equity			31,420,238		29,395,129

The financial statements were approved by the board of directors and authorised for issue on 25 May 2023 and are signed on its behalf by:

S G Hughes
 Director
 Company Registration No. 3574122

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 30 August 2020		500,000	27,767,729	28,267,729
Period ended 28 August 2021:				
Profit for the period		-	2,652,400	2,652,400
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	792,000	792,000
Tax relating to other comprehensive income		-	(198,000)	(198,000)
Total comprehensive income for the period		-	3,246,400	3,246,400
Dividends	10	-	(2,119,000)	(2,119,000)
Balance at 28 August 2021		500,000	28,895,129	29,395,129
Period ended 3 September 2022:				
Profit for the period		-	2,622,109	2,622,109
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(796,000)	(796,000)
Tax relating to other comprehensive income		-	199,000	199,000
Total comprehensive income for the period		-	2,025,109	2,025,109
Balance at 3 September 2022		500,000	30,920,238	31,420,238

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26	(6,531,484)		2,314,729	
Interest paid		(54,488)		(39,844)	
Income taxes paid		(332,000)		(384,440)	
Net cash (outflow)/inflow from operating activities		(6,917,972)		1,890,445	
Investing activities					
Purchase of intangible assets		(851,252)		(1,296,572)	
Purchase of tangible fixed assets		(703,739)		(396,171)	
Proceeds on disposal of tangible fixed assets		114,448		94,745	
Net cash used in investing activities		(1,440,543)		(1,597,998)	
Financing activities					
Payment of finance leases obligations		(1,496,134)		(712,134)	
Dividends paid		-		(2,119,000)	
Net cash used in financing activities		(1,496,134)		(2,831,134)	
Net decrease in cash and cash equivalents		(9,854,649)		(2,538,687)	
Cash and cash equivalents at beginning of period		(1,084,774)		1,453,913	
Cash and cash equivalents at end of period		(10,939,423)		(1,084,774)	
Relating to:					
Cash at bank and in hand		1,500		1,500	
Bank overdrafts included in creditors payable within one year		(10,940,923)		(1,086,274)	

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

1 Accounting policies

Company information

Carrs Billington Agriculture (Operations) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cunard Building, Water Street, Liverpool, Merseyside, L3 1EL.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Carrs Billington Agriculture (Operations) Limited is a subsidiary undertaking of Edward Billington and Son Limited and the results of Carrs Billington Agriculture (Operations) Limited are included in the consolidated financial statements of Edward Billington and Son Limited which are available from Cunard Building, Liverpool, Merseyside, L3 1EL.

1.2 Going concern

At the time of approving the financial statements, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade and settlement discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of businesses acquired over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.5 Intangible fixed assets other than goodwill

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

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

1 Accounting policies

(Continued)

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

Software	10% - 33% per annum
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold and long leasehold buildings	5% - 10% per annum
Plant and machinery	10% - 33% per annum

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

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

1 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 where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Contributions in respect of defined contribution pension schemes are charged to the Profit and Loss Account when they become payable.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

1 Accounting policies

(Continued)

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

1.17 Government grants

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

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

2 Judgements and key sources of estimation uncertainty

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

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

The defined benefit pension asset is determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 22, will impact on the carrying amount of the pension asset. The directors have considered the advice of the actuary in determining the basis of these assumptions.

Useful economic lives of fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. Judgement is applied by the directors when determining the residual values for plant, machinery and equipment. When determining the residual value management assesses the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

3 Turnover and other revenue

An analysis of the company's turnover (all within the United Kingdom) is as follows:

	2022	2021
	£	£
Turnover		
Sale of goods	167,177,038	137,957,267

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the period is stated after charging/(crediting):		
Government grants	-	(12,776)
Fees payable to the company's auditor for the audit of the company's financial statements		
	18,000	17,500
Depreciation of owned tangible fixed assets	1,542,714	1,698,270
Depreciation of tangible fixed assets held under finance leases	613,164	389,364
Profit on disposal of tangible fixed assets	(68,209)	(58,221)
Amortisation of intangible assets	284,365	47,500
Operating lease charges	94,764	94,514
	<u> </u>	<u> </u>

Remuneration paid to the company's auditor for services other than the statutory audit of the company are not analysed in these accounts, since the consolidated accounts of the ultimate parent undertaking, Edward Billington and Son Limited are required to disclose non-audit fees on a consolidated basis.

5 Employees

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

	2022	2021
	Number	Number
Production	181	177
Administration	19	15
Sales	4	4
	<u> </u>	<u> </u>
Total	204	196
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	6,680,314	5,977,100
Social security costs	699,103	589,569
Pension costs	653,824	616,212
	<u> </u>	<u> </u>
	8,033,241	7,182,881
	<u> </u>	<u> </u>

Pension costs are amounts charged to operating profit, in respect of defined contribution schemes and do not include amounts credited to other finance costs/gains (see note 7), or amounts recognised in the Statement of Other Comprehensive Income in respect of the defined benefit pension scheme.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	271,291	393,645
Company pension contributions to defined contribution schemes	31,886	12,305
	<u>303,177</u>	<u>405,950</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2021 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	172,385	295,472

The total remuneration above is in respect of two directors. All of the other directors are remunerated by the respective investing companies. Charges are raised to reflect the proportionate amount of time spent in the management of the company.

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on the net defined benefit asset	91,000	69,000

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	54,488	39,844

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	600,000
Adjustments in respect of prior periods	(1,000)	-
Total current tax	(1,000)	600,000
Deferred tax		
Origination and reversal of timing differences	568,000	162,000
Effect of changes in tax rates	-	320,000
Total deferred tax	568,000	482,000
Total tax charge	567,000	1,082,000

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	3,289,109	3,734,400
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	624,931	709,536
Adjustments in respect of prior years	(1,000)	-
Depreciation on assets not qualifying for tax allowances	(188,931)	16,590
Chargeable losses	(2,000)	(3,000)
Remeasurement of deferred tax for changes in rates	234,000	358,874
Tax expense for the period	667,000	1,082,000

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(199,000)	198,000

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

10 Dividends

	2022 £	2021 £
Interim paid	-	2,119,000

11 Intangible fixed assets

	Goodwill and amortisation £	Software £	Total £
Cost			
At 29 August 2021	1,562,794	1,974,396	3,537,190
Additions	-	851,252	851,252
At 3 September 2022	1,562,794	2,825,648	4,388,442
Amortisation and impairment			
At 29 August 2021	1,413,998	10,820	1,424,818
Amortisation charged for the period	47,500	236,865	284,365
At 3 September 2022	1,461,498	247,685	1,709,183
Carrying amount			
At 03 September 2022	101,296	2,577,963	2,679,259
At 28 August 2021	148,795	1,963,576	2,112,371

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

12 Tangible fixed assets

	Freehold and long leasehold buildings	Plant and machinery	Total
	£	£	£
Cost			
At 29 August 2021	6,859,886	31,189,177	38,049,063
Additions	35,621	3,875,079	3,910,700
Disposals	-	(1,077,727)	(1,077,727)
At 3 September 2022	6,895,507	33,986,529	40,882,036
Depreciation and impairment			
At 29 August 2021	4,647,666	24,736,433	29,384,099
Depreciation charged in the period	698,007	1,457,871	2,155,878
Eliminated in respect of disposals	-	(1,031,486)	(1,031,486)
At 3 September 2022	5,345,673	25,162,818	30,508,491
Carrying amount			
At 03 September 2022	1,549,834	8,823,711	10,373,545
At 28 August 2021	2,212,220	6,452,744	8,664,964

Land and buildings is analysed as follows:

	2022	2021
	£	£
Freehold	1,432,733	2,095,119
Long leasehold	117,101	117,101
	1,549,834	2,212,220

Land and buildings includes, where applicable, fixed plant which forms an integral part of the building structure.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases.

	2022	2021
	£	£
Motor vehicles	3,688,656	1,810,251
Depreciation charge for the period in respect of leased assets	613,164	389,364

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

13 Fixed asset investments

	2022	2021
	£	£
Investment in subsidiary undertaking - Carrs Billington Agriculture (Properties) Limited	70,000	70,000

Carrs Billington Agriculture (Properties) Limited which is registered in England and Wales is dormant. It has aggregate capital and reserves of £70,000 (2021: £70,000).

In addition the company holds 100% of the shares of four dormant companies, three of which are registered in England and Wales and one in Scotland. The aggregate capital and reserves of these companies is Nil (2021: Nil).

14 Stocks

	2022	2021
	£	£
Raw materials and consumables	2,571,792	2,387,708
Finished goods and goods for resale	892,592	676,399
	3,464,384	3,064,107

15 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	33,580,288	23,090,135
Other debtors	2,381,073	922,626
Prepayments and accrued income	753,420	444,370
	36,714,781	24,457,131

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank overdraft	18	10,940,923	1,086,274
Obligations under finance leases	19	943,880	529,048
Trade creditors		2,239,533	1,701,178
Amount due to parent undertaking		452,246	837,318
Amounts due to fellow subsidiary undertakings		5,737,332	4,692,034
Corporation tax		182,761	515,761
Other creditors		232,298	829,588
Accruals and deferred income		1,920,359	1,314,834
		<u>22,549,332</u>	<u>11,506,035</u>

The company has given a debenture incorporating a fixed and floating charge over all the assets of the undertaking together with a cross guarantee with Carrs Billington Agriculture (Sales) Limited and Carrs Billington Agriculture (Properties) Limited as security for the collective bank facilities of these companies, including offset interest arrangements between these companies.

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	19	2,064,480	768,485
		<u>2,064,480</u>	<u>768,485</u>

18 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	10,940,923	1,086,274
	<u>10,940,923</u>	<u>1,086,274</u>
Payable within one year	10,940,923	1,086,274
	<u>10,940,923</u>	<u>1,086,274</u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

19 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	943,880	529,048
In two to five years	2,064,480	768,485
	<u>3,008,360</u>	<u>1,297,533</u>

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	1,199,000	432,000
Tax losses	(296,000)	-
Retirement benefit obligations	1,248,000	1,248,000
Capital gains	10,000	12,000
	<u>2,161,000</u>	<u>1,692,000</u>

	2022
	£
Movements in the period:	
Liability at 29 August 2021	1,692,000
Credit to other comprehensive income	(199,000)
Effect of change in tax rate - profit or loss	668,000
	<u>2,161,000</u>
Liability at 3 September 2022	<u>2,161,000</u>

21 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>653,824</u>	<u>616,212</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

21 Retirement benefit schemes

(Continued)

Defined benefit schemes

Carrs Billington Agriculture (Operations) Limited is the principal employer of the Carrs Billington Agriculture pension scheme, a funded defined benefit scheme. The assets of the scheme are held separately from those of the company, and are invested with financial institutions. The scheme ceased to accrue further benefits for its active members with effect from 1 December 2007.

The contributions are determined by qualified actuaries on the basis of triennial valuations using the attained age method of valuation. Contributions paid into the scheme during the period amounted to £800,000. In line with the schedule of contributions dated 18 October 2022 the company has agreed to make no contributions to the scheme during the period to 28 August 2023, except for administration and other scheme expenses.

The liabilities of the scheme have been calculated by reference to the results of the 31 December 2021 preliminary actuarial valuation. These have been updated for benefits paid out and changes to assumptions in the period from 31 December 2018 to the balance sheet date, to determine the defined benefit obligation reported below.

	2022	2021
	%	%
<i>Key assumptions</i>		
Discount rate	4.5	1.7
Price inflation (RPI)	3.5	3.3
Price inflation (CPI)	2.8	2.6
Pension increases - RPI max 5%	3.2	3.2
Pension increases - RPI max 3%	2.4	2.5
Pension increases - RPI max 2.5%	2.1	2.1
	<u> </u>	<u> </u>
<i>Mortality assumptions</i>	2022	2021
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.2	21.8
- Females	23.9	23.8
	<u> </u>	<u> </u>
Retiring in 20 years		
- Males	23.5	23.1
- Females	25.4	25.3
	<u> </u>	<u> </u>
	2022	2021
<i>Amounts recognised in the profit and loss account</i>	£	£
Net interest income on net defined benefit asset	(91,000)	(69,000)
Loss on curtailments, changes or introductions	-	40,000
Other costs and income	95,000	81,000
	<u> </u>	<u> </u>
Total costs	4,000	52,000
	<u> </u>	<u> </u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

21 Retirement benefit schemes

(Continued)

	2022	2021
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual loss/(return) on scheme assets	11,285,000	(3,806,000)
Less: calculated interest element	727,000	714,000
	<u>12,012,000</u>	<u>(3,092,000)</u>
Return on scheme assets excluding interest income	12,012,000	(3,092,000)
Actuarial changes related to obligations	(11,216,000)	2,300,000
	<u>796,000</u>	<u>(792,000)</u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2022	2021
	£	£
Present value of defined benefit obligations	26,218,000	38,071,000
Fair value of plan assets	(31,209,581)	(43,062,576)
	<u>(4,991,581)</u>	<u>(4,991,576)</u>

	2022
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 29 August 2021	38,071,000
Benefits paid	(1,273,000)
Actuarial gains and losses	(11,216,000)
Interest cost	636,000
	<u>26,218,000</u>
At 3 September 2022	

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

21 Retirement benefit schemes (Continued)

	2022 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 29 August 2021	43,062,577
Interest income	727,000
Loss on plan assets (excluding amounts included in net interest)	(12,012,000)
Benefits paid	(1,273,000)
Contributions by the employer	800,004
Other	(95,000)
At 3 September 2022	31,209,581

The actual loss/(return) on plan assets was £11,285,000 (2021 - (£3,806,000)).

	2022 £	2021 £
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	5,295,000	9,975,000
Debt instruments	19,702,000	25,056,000
Other	6,212,581	8,031,576
	31,209,581	43,062,576

22 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £1 each	245,000	245,000	245,000	245,000
Ordinary B shares of £1 each	255,000	255,000	255,000	255,000
	500,000	500,000	500,000	500,000

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

23 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	109,764	97,764
Between two and five years	360,000	1,647
	<u>469,764</u>	<u>99,411</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	<u>2,100,000</u>	<u>2,408,416</u>

25 Related party transactions

During the period the company entered into the following transactions with related parties. Included within "Investing party and its subsidiaries / joint venture" is Carr's Group PLC together with Carrs Billington Agriculture (Sales) Limited, owned 51% for the duration of the period and its joint venture, Bibby Agriculture Limited.

The ultimate parent undertaking, Edward Billington and Son Limited had a 49% interest in Carrs Billington Agriculture (Sales) Limited during the period.

Following the year end, on 26 October 2022, the 51% of the share capital in Carrs Billington Agriculture (Sales) Limited owned by Carrs Group PLC was acquired by Edward Billington and Son Limited. At the same time the 49% of Carrs Billington Agriculture (Operations) Limited held by Carrs Group PLC was also acquired by Edward Billington and Son Limited, making both 100% subsidiary undertakings.

	Sale of goods		Purchase of goods	
	2022	2021	2022	2021
	£	£	£	£
Ultimate parent undertaking	-	-	1,448,493	1,199,583
Fellow subsidiary undertakings	19,236	16,212	125,799,559	105,097,820
Investing party and its subsidiaries/joint venture	<u>155,605,401</u>	<u>137,498,318</u>	<u>4,740,303</u>	<u>598,415</u>
	<u>155,624,637</u>	<u>137,514,530</u>	<u>131,988,355</u>	<u>106,895,818</u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

25 Related party transactions

(Continued)

Other charges incurred in the period

	2022	2021
	£	£
Ultimate parent undertaking	279,499	268,799
Investing party and its subsidiaries/joint venture	-	153,331
	<u>279,499</u>	<u>422,130</u>

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties

	2022	2021
	£	£
Ultimate parent undertaking	452,246	837,318
Fellow subsidiary undertakings	5,737,332	4,692,034
Investing party and its subsidiaries/joint venture	91,465	716,314
	<u>6,281,043</u>	<u>6,245,666</u>

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties Amounts owed by related parties

	2022		2021	
	Balance	Net	Balance	Net
	£	£	£	£
Investing party and its subsidiaries/joint venture	<u>34,264,587</u>	<u>34,264,587</u>	<u>23,073,787</u>	<u>23,073,787</u>
	<u>34,264,587</u>	<u>34,264,587</u>	<u>23,073,787</u>	<u>23,073,787</u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 3 SEPTEMBER 2022

26 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	2,622,109	2,652,400
Adjustments for:		
Taxation charged	667,000	1,082,000
Finance costs	54,488	39,844
Investment income	(91,000)	(69,000)
Gain on disposal of tangible fixed assets	(68,209)	(58,221)
Amortisation and impairment of intangible assets	284,365	47,500
Depreciation of tangible fixed assets	2,155,878	2,087,634
Defined benefit pension contributions	(705,004)	(679,004)
Movements in working capital:		
(Increase) in stocks	(400,277)	(347,889)
(Increase) in debtors	(12,257,650)	(3,682,433)
Increase in creditors	1,206,816	1,241,898
Cash (absorbed by)/generated from operations	(6,531,484)	2,314,729

27 Analysis of changes in net debt

	29 August 2021 £	Cash flows £	New finance leases £	3 September 2022 £
Cash at bank and in hand	1,500	-	-	1,500
Bank overdrafts	(1,086,274)	(9,854,649)	-	(10,940,923)
	(1,084,774)	(9,854,649)	-	(10,939,423)
Obligations under finance leases	(1,297,533)	1,496,134	(3,206,961)	(3,008,360)
	(2,382,307)	(8,358,515)	(3,206,961)	(13,947,783)

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