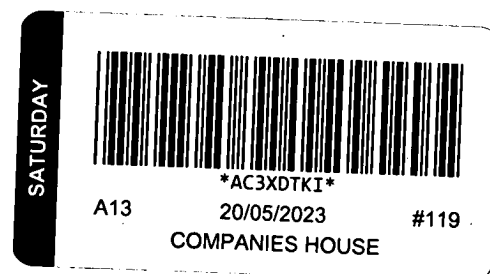


Company Registration No. 06833157 (England and Wales)

**IAN MOSEY (LIVESTOCK) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2022**



# IAN MOSEY (LIVESTOCK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr B I Mosey Mrs B M Mosey Mr I J Mosey Mrs C E Duggleby Mrs S E Stark
<b>Secretary</b>	Mrs B M Mosey
<b>Company number</b>	06833157
<b>Registered office</b>	Village Farm Gilling East York North Yorkshire YO62 4JH
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

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# IAN MOSEY (LIVESTOCK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The directors present the strategic report for the year ended 31 August 2022.

#### Fair review of the business and key performance indicators

The key financial performance indicators of the company are turnover, gross profit and operating profit.

	2022 £	2021 £	Movement £	Movement %
Turnover	114,976,114	104,122,011	10,854,103	10.42
Gross profit	23,081,922	19,842,130	3,239,792	16.33
Gross profit %	20.08	19.06	1.02	
Operating profit	3,947,826	1,806,778	2,141,048	118.50
Operating profit %	3.43	1.74	1.69	

#### Turnover

Sales of finished pigs have risen year on year by £10.85m, an increase of 10.42% as a result of both improvements in SPP in the second half of the financial year, as well as cost of production linked supply sources, which incorporate the significant rises in cereal prices seen in 2022. Volumes of pigs sold are in line with the prior year in total, however seeing a change in composition of contract types against the previous twelve months.

#### Gross profit

The cost of sales used to calculate gross profit are made up of pig purchase costs, feeding costs and marketing costs incurred on sales to abattoirs. Gross profit is reported as 20.08% in the year to 31 August 2022 against 19.06% in 2021, an increase of 1.02%. Cost of sales have risen by 9%, £7.6m in total, notably feed costs of £13.9m, a change of +25% year on year.

Livestock purchases are matched to pig supply in timings, typically five months prior to sale. With the sharp reduction in SPP November 2021 to March 2022 gross profit is adversely impacted in the first half of the financial year, with marked improvements March to August 2022. SPP moved up 38p/kg when comparing averages Sep-Nov 21 150.75 v Jun-Aug 22 188.78. Internal breeding herd improved productivity and favorable purchasing of feed also contributed to an overall recovering year, considering the industry climate and challenges navigated.

#### Operating profit

Direct costs of pig finishing incurred in line with any change in pig stock levels are combined with indirect principally fixed costs, to make up the total Administrative Expenses to calculate operating profit. Overall, the cost base has increased by 6% £1.1m year on year. Increases in fuel +36% and vehicle repair costs +28% account for £0.5m of the £1.1m change. The Operating Profit for the year of £3.95m compares to £1.81m in the previous financial year despite the downturn in the pig sector nationally, attributed to feed buying decisions and improved SPP in the second half of the financial year.

#### Balance sheet

The company's statement of financial position shows a satisfactory position with shareholder's funds amounting to £7,763,848 (2021 - £2,172,268)

The balance sheet is broadly in line with the prior year after adjusting for tax balances. Stock has increased by £6.3m reflecting closing stock volumes against the prior year and higher feed costs within the carrying value. Creditors +£3.4m primarily due to amounts owed to group undertakings, a balance which moves in line with funding requirements.

#### Principal risks and uncertainties

The significant risks facing the business relate to movements in the price per kilo of pig meat and fluctuations in the raw material costs for feed. The group mitigates its exposure through arrangements with its customers and forward-facing purchasing of raw materials.

# IAN MOSEY (LIVESTOCK) LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### **Financial risk management objectives and policies**

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by the use of cash reserves in Ian Mosey Limited, its parent, where necessary to fund any capital expenditure programmes.

#### *Price Risk*

The company reviews current trends to manage its exposure to variation in market prices and uses forward contracts to forward by raw materials.

#### *Credit Risk*

The company mainly trades with long standing customers, the nature of these relationships assist management, together with credit insurance, in controlling its credit risk in addition to the normal credit management processes.

#### *Liquidity and Cash Flow Risk*

Management control and monitor the company's cash flow on a regular basis, including forecasting future cash flows.

### **Section 172 statement**

This section satisfies the Section 172 requirements of the Companies Act 2006, which requires the Directors to take into consideration the interest of stakeholders in their decision making.

The Board considers its stakeholders to be shareholders, employees, customers, suppliers and the environment.

The Directors have regarded the matters set out in section 172(1)(a) to (f) of the Companies Act as follows:

#### **(a) The likely consequences of any decision in the long term**

The business acts in the interests of its stakeholders in all long term decisions, acknowledging the need for collaboration with our employees, suppliers and customers.

#### **(b) Interest of the company's workforce**

Investing in people to increase knowledge base and train and develop the team.

#### **(c) The desirability of the company maintaining a reputation for high standards of business conduct**

The company has partnered with industry experts for continuous learning, advice and support, encompassing areas of compliance, technical and best practice.

#### **(d) The need to foster the company's business relationships with suppliers, customers and others**

The company has long term relationships with customers, pig producers, farmers and suppliers. Close partnerships with bed and breakfast farmers, enabling their related diversification through extensions of existing farming enterprises, for sustainability of agriculture for the future.

#### **(e) The impact of the company's operations on the community and the environment**

The board has a strong awareness and appreciation of the impact of the business on the community and environment and the need to work together, to keep Britain farming and uphold the high welfare standards of the UK farming industry.

#### **(f) The need to act fairly as between members of the company**

The company seeks to act fairly and reasonably in all of its activities and interactions across the stakeholder groups. The company puts a lot of emphasis on consistently paying suppliers without delay.

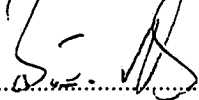
**IAN MOSEY (LIVESTOCK) LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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On behalf of the board



Mr B I Mosey

Director

Date: 18 May 2023

# IAN MOSEY (LIVESTOCK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The directors present their annual report and financial statements for the year ended 31 August 2022.

#### Principal activities

The principal activity of the company during the year was that of the farming of swine.

#### Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £nil (2021 - £7,000,000). The directors do not recommend payment of a further dividend.

#### Directors

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

Mr B I Mosey

Mrs B M Mosey

Mr I J Mosey

Mrs C E Duggleby

Mrs S E Stark

(Appointed 1 November 2021)

#### Directors' insurance

The parent company, Ian Mosey Limited, maintains liability insurance for the directors and officers of the group. This was in place during the financial period, at the date of approval of the financial statements and is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

#### Future developments

The company will continue to consolidate its business interests and exploit opportunities as they arise.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Energy and greenhouse gas emissions

The company is a qualifying entity for the purposes of FRS102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which includes the greenhouse gas (GHG) emissions and energy use by Ian Mosey (Livestock) Limited in the UK during the financial year ended 31 August 2022. As such, the company has not prepared its own separate report.

#### Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties and financial risk management objectives and policies.

#### 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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# IAN MOSEY (LIVESTOCK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### Business relationships

Details on how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others and the effect of that regard including on the principal decisions taken by the company are included in the section 172 statement in the strategic report.

On behalf of the board



Mr B I Mosey  
Director

Date: 18 May 2023

# **IAN MOSEY (LIVESTOCK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY (LIVESTOCK) LIMITED**

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### **Opinion**

We have audited the financial statements of Ian Mosey (Livestock) Limited for the year ended 31 August 2022 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 FRS 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 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY (LIVESTOCK) LIMITED (CONTINUED)**

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### **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 6, 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 the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
  - inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
  - discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.
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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY (LIVESTOCK) LIMITED (CONTINUED)**

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, environmental regulations, and food standards. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and cut-off of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. For management override of controls, audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. For cut-off of revenue, audit procedures included but were not limited to testing transactions either side of the year-end to ensure they are recognised in the correct period.

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

### **Use of our report**

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

**Michael Thornton**

Michael Thornton (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Central Square  
5th Floor  
29 Wellington Street  
Leeds  
LS1 4DL 18 May 2023  
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# IAN MOSEY (LIVESTOCK) LIMITED

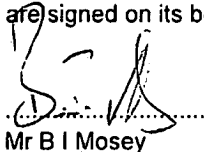
## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	2021 £
Turnover	3	114,976,114	104,122,011
Cost of sales		(91,894,192)	(84,279,881)
<b>Gross profit</b>		<b>23,081,922</b>	<b>19,842,130</b>
Administrative expenses		(19,134,096)	(18,035,352)
<b>Operating profit</b>	6	<b>3,947,826</b>	<b>1,806,778</b>
Interest receivable and similar income		-	663
<b>Profit before taxation</b>		<b>3,947,826</b>	<b>1,807,441</b>
Tax on profit	8	1,643,754	(17,230)
<b>Profit for the financial year</b>		<b>5,591,580</b>	<b>1,790,211</b>
Retained earnings brought forward		2,172,168	7,381,957
Dividends	9	-	(7,000,000)
<b>Retained earnings carried forward</b>		<b>7,763,748</b>	<b>2,172,168</b>

**IAN MOSEY (LIVESTOCK) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10	521,132		185,233	
Investments	11	100		100	
		<u>521,232</u>		<u>185,333</u>	
<b>Current assets</b>					
Stocks	12, 13	30,331,747		24,004,401	
Debtors	14	10,215,531		9,501,125	
Cash at bank and in hand		484,179		387,594	
		<u>41,031,457</u>		<u>33,893,120</u>	
<b>Creditors: amounts falling due within one year</b>	15	(35,390,126)		(31,863,716)	
<b>Net current assets</b>		<u>5,641,331</u>		<u>2,029,404</u>	
<b>Total assets less current liabilities</b>		<u>6,162,563</u>		<u>2,214,737</u>	
<b>Provisions for liabilities</b>	16	1,601,285		(42,469)	
<b>Net assets</b>		<u><u>7,763,848</u></u>		<u><u>2,172,268</u></u>	
<b>Capital and reserves</b>					
Called up share capital	19	100		100	
Profit and loss reserves	20	7,763,748		2,172,168	
<b>Total equity</b>		<u><u>7,763,848</u></u>		<u><u>2,172,268</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 18 May '23 and are signed on its behalf by:



Mr B I Mosey  
Director

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### Company information

Ian Mosey (Livestock) Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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.

#### Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ian Mosey Limited. These consolidated financial statements are available from its registered office, Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.

#### Going concern

The financial statements are prepared on a going concern basis. Having carried out a detailed review of the company's resources, including the availability of support as required from the group's cash reserves, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements. The directors have received confirmation from the parent that they do not intend to demand repayment of the intercompany balance made available to the company for at least 12 months from the date of approval of the financial statements. The parent currently intend to continue to provide sufficient funds to allow the company to meet its financial liabilities as they fall due for a period of at least 12 months from the date of approval of the company's financial statements for this period.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. Turnover is recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attached to the product, have been transferred to the customer.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies (Continued)

#### **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 recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% to 20% on a reducing balance basis
Fixtures and fittings	25% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

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.

#### **Fixed asset investments**

Fixed asset investments 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.

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in 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.

#### **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. Stock is calculated on a FIFO (first in first out) basis.

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.

#### **Biological assets**

Biological assets of livestock within stock, comprising of weaner and fatterer pigs only, are valued under the cost model in accordance with Section 34 of FRS 102, using the lower of cost and estimated selling price less costs to complete and sell method.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies (Continued)

#### **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 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 inventory, trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets 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.

#### **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 trade and other creditors, accruals and amounts due to group undertakings are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

#### **Derecognition of financial liabilities**

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

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# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies (Continued)

#### Equity instruments

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

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 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.

#### Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from the company in an independently administered fund. Contributions payable are charged to the profit and loss account in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown as other creditors.

### 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.

There are no individual judgements, other than those involving estimates, that the directors consider to be material to the financial statements.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

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

#### Stock provisioning

The company farms swine and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 12 for the net carrying amount of the stock.

### 3 Turnover

An analysis of the company's turnover, all derived in the United Kingdom, is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Farming of swine	114,976,114	104,122,011

### 4 Employees

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

	2022 Number	2021 Number
Production staff	62	63
Management staff	2	2
<b>Total</b>	<b>64</b>	<b>65</b>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	2,411,980	2,348,207
Social security costs	249,368	233,591
Pension costs	59,272	66,374
	<b>2,720,620</b>	<b>2,648,172</b>

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 5 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	174,089	171,099
Company pension contributions to defined contribution schemes	14,691	14,578
	<u>188,780</u>	<u>185,677</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 2)

### 6 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	78,922	43,043
(Profit)/loss on disposal of tangible fixed assets	-	1,455
Impairment of stocks recognised or reversed	-	1,155,816
	<u></u>	<u></u>

### 7 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	<u>13,200</u>	<u>12,000</u>
<b>For other services</b>		
Taxation compliance services	3,685	3,350
All other non-audit services	8,195	7,450
	<u>11,880</u>	<u>10,800</u>

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
Adjustments in respect of prior periods	-	22,592
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,125,012	(20,467)
Changes in tax rates	-	15,105
Adjustment in respect of prior periods	(2,768,766)	-
<b>Total deferred tax</b>	<b>(1,643,754)</b>	<b>(5,362)</b>
<b>Total tax charge/(credit)</b>	<b>(1,643,754)</b>	<b>17,230</b>

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 21. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 August 2022.

The adjustment in respect of prior periods relates to research and development tax credit claims for prior years.

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	3,947,826	1,807,441
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	750,087	343,414
Adjustments in respect of prior years	-	22,592
Group relief	378,516	111,661
Research and development tax credit	-	(470,629)
Deferred tax adjustments in respect of prior years	(2,768,766)	-
Effect of change in deferred tax rate	20,054	10,192
Fixed asset differences	(23,645)	-
<b>Tax expense for the year</b>	<b>(1,643,754)</b>	<b>17,230</b>

### 9 Dividends

	2022 £	2021 £
Interim paid	-	7,000,000

Dividends of £nil (2021 - £70,000) per Ordinary share of £1 each were declared during the year.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 September 2021	367,252	24,631	93,456	485,339
Additions	89,970	-	324,851	414,821
At 31 August 2022	457,222	24,631	418,307	900,160
<b>Depreciation and impairment</b>				
At 1 September 2021	200,790	21,375	77,941	300,106
Depreciation charged in the year	33,968	814	44,140	78,922
At 31 August 2022	234,758	22,189	122,081	379,028
<b>Carrying amount</b>				
At 31 August 2022	222,464	2,442	296,226	521,132
At 31 August 2021	166,462	3,256	15,515	185,233

### 11 Fixed asset investments

	2022 £	2021 £
Unlisted investments	100	100

The company held a minor holding of 0.18% in the share capital of Meadow Quality Limited during the year. The holding gives rise to no controlling interest and therefore in the opinion of the directors the results are excluded from Ian Mosey (Livestock) Limited. At the year end, Meadow Quality Limited had aggregate capital and reserves of £1,956,720 (2021 - £2,043,141) and made a loss for the year of £86,421 (2021 - profit of £83,422).

### Movements in fixed asset investments

	Investments other than loans £
<b>Cost</b>	
At 1 September 2021 & 31 August 2022	100
<b>Carrying amount</b>	
At 31 August 2022	100
At 31 August 2021	100

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 12 Stocks

	Note	2022 £	2021 £
Raw materials and consumables		786,507	721,104
Biological assets	13	29,545,240	23,283,297
		<u>30,331,747</u>	<u>24,004,401</u>

Included within the value of biological assets is a provision for impairment of £1,006,843 (2021 - £2,041,787).

### 13 Biological assets

	2022 £	2021 £
<b>Cost</b>		
Brought forward	23,283,297	24,318,368
Purchases	90,575,533	73,033,085
Sales	(79,319,183)	(68,909,184)
Deaths	(4,994,407)	(5,158,972)
Carried forward	<u>29,545,240</u>	<u>23,283,297</u>

### 14 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	8,345,126	7,151,482
Corporation tax recoverable	1,077,733	1,061,902
Amounts owed by group undertakings	-	547,932
Other debtors	650,487	623,938
Prepayments	142,185	115,871
	<u>10,215,531</u>	<u>9,501,125</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	2,120,364	1,716,259
Amounts due to group undertakings	31,880,787	28,968,142
Other taxation and social security	61,909	59,225
Other creditors	10,363	13,275
Accruals	1,316,703	1,106,815
	<u>35,390,126</u>	<u>31,863,716</u>

Amounts due to group undertakings are interest free and repayable on demand.

### 16 Provisions for liabilities

	Note	2022 £	2021 £
Deferred tax liabilities	17	-	42,469

### 17 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 £
<b>Balances:</b>		
Excess of taxation allowances over depreciation on fixed assets	127,613	43,468
Tax losses	(1,727,899)	-
Short term timing differences	(999)	(999)
	<u>(1,601,285)</u>	<u>42,469</u>
<b>Movements in the year:</b>		2022 £
Liability at 1 September 2021		42,469
Credit to profit and loss		(1,643,754)
Liability/(Asset) at 31 August 2022		<u>(1,601,285)</u>

# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	59,272	66,374

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.

Included within creditors at the year end are outstanding pension contributions of £10,139 (2021 - £9,888).

### 19 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

#### Ordinary share rights

The company's Ordinary shares of £1 each, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 20 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 21 Financial commitments, guarantees and contingent liabilities

Ian Mosey Limited, the parent company, has registered fixed and floating charges over the assets and intellectual property owned by the company at any time.

### 22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	381,639	-



# IAN MOSEY (LIVESTOCK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 23 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2022	2021	2022	2021
	£	£	£	£
Other related parties	36,774	46,358	159,656	168,212

The other related party is a partnership that comprises the directors of Ian Mosey Limited.

The amount owed to the other related party amounts to £2,280 (2021 - £1,260).

Sales of goods to related parties were made at the company's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or previous year in respect of bad debts from related parties.

### 24 Directors' transactions

Included within other creditors is £nil (2021 - £217) owed to the directors of the company. Included within other debtors is £521 (2021 - £nil) owed by the directors of the company.

### 25 Ultimate controlling party

The company is a wholly owned subsidiary of Ian Mosey Limited, a company registered in England and Wales.

The smallest and largest group for which consolidated accounts including Ian Mosey (Livestock) Limited are prepared is that headed by Ian Mosey Limited. The consolidated financial statements for Ian Mosey Limited are available from its registered office, Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.