

OAT 2012 LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

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FOR THE YEAR ENDED 31 MAY 2022**

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OAT 2012 LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2022**

DIRECTORS:

Hon A E J Taylor
R D Taylor
S R Taylor

SECRETARY:

S R Taylor

REGISTERED OFFICE:

Washway House Farm
Washway Road
Holbeach
Spalding
Lincolnshire
PE12 7PP

REGISTERED NUMBER:

07932991 (England and Wales)

AUDITORS:

Duncan & Toplis Limited
Enterprise Way
Pinchbeck
Spalding
Lincolnshire
PE11 3YR

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2022**

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

REVIEW OF BUSINESS

OAT 2012 Limited's trading subsidiary, O A Taylor & Sons Bulbs Limited, maintains their position as the preferred supplier of all types of flowering bulbs to UK and Irish garden centres.

The results of the group are in line with the targets set, changes in the market and climatic conditions experienced during the growing and retail seasons.

The group continues to see further success in bespoke products to customers outside the core market of garden centres and continues to innovate and introduce new products, packaging and varieties throughout the range.

KEY PERFORMANCE INDICATORS

Given the straightforward commercial nature of the business, the directors' opinion is that supplementary KPI analysis over and above that in the financial statements is not necessary to an understanding of the development, performance and financial strength of the group.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them.

The key risks affecting the group are set out below:

Customers

To reduce any potential loss of custom, the group values integrity and seeks to conduct its business with professionalism and aspires to provide excellent service in the eyes of our customers.

Employees

The group continues to use the principle of staff training in return for loyalty, openness, commitment and performance, respecting and caring for staff and investing in their employment potential. The group operates a variety of progression based structures, invests in personal and professional development and remains committed to involving all staff in the operation of the business. The group believes in remunerating its staff fairly for doing a good job which includes taking on responsibility, working as a team and supporting the group's continuous improvement.

The group continuously reviews working practices to reflect the reduction in availability of seasonal workers.

Commodity risk

As a bulb supplier, the group is also exposed to the vagaries of the climate and consequent impacts upon the price and availability of product. The group operates a variety of key mitigating tools to reduce exposure to commodity risk, these summarise in contracting supply price and quantity with growers, growing own crops and having a wide customer spectrum to ensure optimum crop utilisation.

Foreign exchange risk

The group imports a wide range of products from Europe, and consequently is at risk from unfavourable exchange rate changes. The group mitigates this risk by working closely with the group's bankers to forward buy currency at appropriate rates for the business.

Natural resources

A further key risk is the environment and the consumption of natural resources. The group respects the environment in which it operates and works to conserve natural resources and enhance the natural environment. The group is working on a range of initiatives to reduce the carbon footprint associated with its supply chains in active participation with customers and suppliers. Various alternative materials are being assessed for use in the packing of bulbs.

The withdrawal of the United Kingdom from the European Union

The group increased resource and continues to spend considerable time on the extra work created as a result of the withdrawal of the UK from the EU. By expanding in direct operations in ongoing EU countries, the group has been able to control the flow of bulbs and flowers when importing and exporting.

COVID-19

To try to prevent outbreaks and any impact on continuity and production, the group has introduced more shifts, a larger dining area, extra handwashing facilities and extra toilets, screens and sanitisers

ON BEHALF OF THE BOARD:

Hon A E J Taylor - Director

19 January 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of bulb wholesalers.

DIVIDENDS

During the year the directors recommended that the following interim dividends be declared:

Ordinary A shares:

5 February 2021	-	£795,600
1 March 2022	-	£795,600

Ordinary B shares:

5 February 2021	-	£159,638
7 March 2022	-	£159,639

The directors recommend that no final dividends be paid.

The total distribution of dividends for the period ended 31 May 2022 will be £955,239.

FUTURE DEVELOPMENTS

The group will continue to invest strongly in new machinery and packing equipment. There is an ongoing programme of warehouse renovation using materials with improved insulation to decrease fuel usage. The group is expecting another profitable year in 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2021 to the date of this report.

Hon A E J Taylor
R D Taylor
S R Taylor

FINANCIAL INSTRUMENTS

The group imports a wide range of products from Europe, and consequently is at risk from unfavourable exchange rate changes. The group mitigates this risk by working closely with the group's bankers to forward buy currency at appropriate rates for the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2022**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

Hon A E J Taylor - Director

19 January 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OAT 2012 LIMITED

Opinion

We have audited the financial statements of OAT 2012 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 May 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OAT 2012 LIMITED

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit.

The potential impact of different laws and regulations varies considerably. Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. This included the identification and testing of unusual material journal entries, and challenging management on key estimates. These key areas of uncertainty are disclosed in the accounting policies.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations, and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management, and inspection. This inspection included a review of the external audits conducted within the year for any evidence of non-compliance, in addition to an assessment of the company's employment and health and safety controls. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
OAT 2012 LIMITED**

Use of our report

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

Alistair Main FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited
Enterprise Way
Pinchbeck
Spalding
Lincolnshire
PC11 3YR

25 January 2023

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MAY 2022**

	Notes	Year Ended 31.5.22 £	£	Period 1.12.19 to 31.5.21 £	£
TURNOVER	3		20,002,900		21,049,499
Cost of sales			<u>12,655,127</u>		<u>13,626,707</u>
GROSS PROFIT			7,347,773		7,422,792
Distribution costs		337,351		-	
Administrative expenses		<u>3,765,078</u>		<u>4,047,076</u>	
			4,102,429		4,047,076
			3,245,344		3,375,716
Other operating income			<u>189,053</u>		<u>101,491</u>
OPERATING PROFIT	5		3,434,397		3,477,207
Income from fixed asset investments		-		(305,092)	
Interest receivable and similar income	6	<u>3,126</u>		<u>2,805</u>	
			3,126		(302,287)
			3,437,523		3,174,920
Interest payable and similar expenses	7		<u>165</u>		<u>-</u>
PROFIT BEFORE TAXATION			3,437,358		3,174,920
Tax on profit	8		<u>674,566</u>		<u>633,460</u>
PROFIT FOR THE FINANCIAL YEAR			2,762,792		2,541,460
Retained earnings at beginning of year			10,552,785		9,523,999
Dividends	10		(955,239)		(1,512,677)
RETAINED EARNINGS FOR THE GROUP AT END OF YEAR			<u>12,360,338</u>		<u>10,552,782</u>
Profit attributable to: Owners of the parent			<u>2,762,792</u>		<u>2,541,460</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	11		87,272		94,740
Tangible assets	12		25,557,462		20,951,536
Investments	13		<u>1,929</u>		<u>5,172,515</u>
			25,646,663		26,218,791
CURRENT ASSETS					
Stocks	14	1,219,870		686,168	
Debtors	15	539,100		364,354	
Cash at bank and in hand		<u>2,858,031</u>		<u>1,508,142</u>	
		4,617,001		2,558,664	
CREDITORS					
Amounts falling due within one year	16	<u>2,565,921</u>		<u>2,185,392</u>	
NET CURRENT ASSETS			<u>2,051,080</u>		<u>373,272</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			27,697,743		26,592,063
CREDITORS					
Amounts falling due after more than one year	17		(2,718,142)		(3,441,136)
PROVISIONS FOR LIABILITIES	21		<u>(219,263)</u>		<u>(198,145)</u>
NET ASSETS			<u>24,760,338</u>		<u>22,952,782</u>
CAPITAL AND RESERVES					
Called up share capital	22		6,666		6,666
Share premium	23		12,393,334		12,393,334
Retained earnings	23		<u>12,360,338</u>		<u>10,552,782</u>
SHAREHOLDERS' FUNDS			<u>24,760,338</u>		<u>22,952,782</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 19 January 2023 and were signed on its behalf by:

Hon A E J Taylor - Director

COMPANY STATEMENT OF FINANCIAL POSITION
31 MAY 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		842,673		842,673
Investments	13		<u>21,316,391</u>		<u>21,316,391</u>
			22,159,064		22,159,064
CURRENT ASSETS					
Debtors	15	35,655		179,625	
Cash at bank		<u>459</u>		<u>25,423</u>	
		36,114		205,048	
CREDITORS					
Amounts falling due within one year	16	<u>4,322,869</u>		<u>8,143,504</u>	
NET CURRENT LIABILITIES			(4,286,755)		(7,938,456)
TOTAL ASSETS LESS CURRENT LIABILITIES			17,872,309		14,220,608
CREDITORS					
Amounts falling due after more than one year	17		<u>1,706,236</u>		<u>1,806,236</u>
NET ASSETS			<u>16,166,073</u>		<u>12,414,372</u>
CAPITAL AND RESERVES					
Called up share capital	22		6,666		6,666
Share premium	23		12,393,334		12,393,334
Retained earnings	23		<u>3,766,073</u>		<u>14,372</u>
SHAREHOLDERS' FUNDS			<u>16,166,073</u>		<u>12,414,372</u>
Company's profit for the financial year			<u>4,706,940</u>		<u>1,511,506</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 19 January 2023 and were signed on its behalf by:

Hon A E J Taylor - Director

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022**

		Year Ended 31.5.22 £	Period 1.12.19 to 31.5.21 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	7,907,225	6,794,222
Interest element of hire purchase payments paid		(165)	-
Tax paid		(440,000)	(517,134)
Net cash from operating activities		<u>7,467,060</u>	<u>6,277,088</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		2,781	(106,245)
Purchase of tangible fixed assets		(5,173,865)	(6,081,962)
Purchase of fixed asset investments		(12)	387,359
Sale of tangible fixed assets		52,510	6,756
Sale of fixed asset investments		-	306,766
Purchase of subsidiary		-	(2,772,415)
Interest received		3,126	2,805
Dividends received		-	(305,092)
Net cash from investing activities		<u>(5,115,460)</u>	<u>(8,562,028)</u>
Cash flows from financing activities			
Capital repayments in year		71,998	-
Amount introduced by directors		(118,469)	1,496,544
Amount withdrawn by directors		(1)	(1,149,203)
Share issue		-	3,441,136
Share buyback		-	(33)
Equity dividends paid		(955,239)	(1,512,677)
Net cash from financing activities		<u>(1,001,711)</u>	<u>2,275,767</u>
Increase/(decrease) in cash and cash equivalents		<u>1,349,889</u>	<u>(9,173)</u>
Cash and cash equivalents at beginning of year	2	1,508,142	1,517,315
Cash and cash equivalents at end of year	2	<u>2,858,031</u>	<u>1,508,142</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.5.22 £	Period 1.12.19 to 31.5.21 £
Profit before taxation	3,437,358	3,174,920
Depreciation charges	524,556	403,549
(Profit)/loss on disposal of fixed assets	(7,084)	24,878
Amortisation	-	(6,614)
Finance costs	165	-
Finance income	(3,126)	302,287
	<u>3,951,869</u>	<u>3,899,020</u>
(Increase)/decrease in stocks	(533,702)	423,360
Decrease in trade and other debtors	95,463	3,699,801
Increase/(decrease) in trade and other creditors	<u>4,393,595</u>	<u>(1,227,959)</u>
Cash generated from operations	<u><u>7,907,225</u></u>	<u><u>6,794,222</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 May 2022

	31.5.22 £	1.6.21 £
Cash and cash equivalents	<u>2,858,031</u>	<u>1,508,142</u>

Period ended 31 May 2021

	31.5.21 £	1.12.19 £
Cash and cash equivalents	<u>1,508,142</u>	<u>1,517,315</u>

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.6.21 £	Cash flow £	At 31.5.22 £
Net cash			
Cash at bank and in hand	<u>1,508,142</u>	<u>1,349,889</u>	<u>2,858,031</u>
	<u>1,508,142</u>	<u>1,349,889</u>	<u>2,858,031</u>
Debt			
Finance leases	-	(71,998)	(71,998)
Debts falling due after 1 year	<u>(3,441,136)</u>	<u>750,000</u>	<u>(2,691,136)</u>
	<u>(3,441,136)</u>	<u>678,002</u>	<u>(2,763,134)</u>
Total	<u><u>(1,932,994)</u></u>	<u><u>2,027,891</u></u>	<u><u>94,897</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

1. STATUTORY INFORMATION

OAT 2012 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

Whilst many businesses will cease to function due to the ongoing situation, the company has sufficient resources to mitigate any potential reduction in sales due to our customers having to close. However, there is a potential business risk in relation to the supply of bulbs, as the company imports these from Europe, if there are restrictions placed on the supply chain. The directors are constantly reviewing costs to balance the reduced level of business and we will utilise government schemes as necessary. As such there is no material uncertainty as to the going concern status of the business.

Basis of consolidation

The group accounts consolidate the financial statements of the company and its subsidiary undertaking. Intra-group profits are eliminated on consolidation.

Turnover

Turnover represents the total value, excluding value added tax, of sales made during the year. Revenue from the sale of goods and services is recognised when significant risks and benefits of ownership of the product have transferred to the buyer at either despatch or acceptance by the customer of the delivery.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 2012 and 2021, are being amortised evenly over their useful lives of four and ten years respectively.

Negative goodwill, being the amount received in connection with the acquisition of a business in 2012, is being amortised evenly over its useful life of eight years and ten months.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Beet tonnage contracts are being amortised evenly over their useful lives of twenty years.

Tangible fixed assets

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

Freehold property	- 2% on cost, Land - Not depreciated and Nil
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- Straight line over 3 years

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks and work in progress are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slowing moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised within the profit and loss account in other administrative expenses.

Financial instruments

The company has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cashflows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

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. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are measured at amortised cost using the effective interest method.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

Investments

The subsidiary, O A Taylor & Sons Bulbs Limited, trades as a partner in O A Taylor & Sons. This investment is stated at the balance on the partner's capital account in the partnership accounts. None of the assets or liabilities, except for taxation liabilities, of the partnership are included in these financial statements.

Other fixed asset investments are stated at cost less provision for permanent diminution in value.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
United Kingdom	19,498,382	20,467,374
Europe	504,518	582,125
	<u>20,002,900</u>	<u>21,049,499</u>

4. EMPLOYEES AND DIRECTORS

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
Wages and salaries	3,429,114	4,034,137
Social security costs	291,494	354,712
Other pension costs	83,001	97,469
	<u>3,803,609</u>	<u>4,486,318</u>

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

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
Management	3	3
Administration	38	38
Warehouse & drivers	62	63
	<u>103</u>	<u>104</u>

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
Directors' remuneration	237,322	356,992
Directors' pension contributions to money purchase schemes	-	8,000
	<u>-</u>	<u>8,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

4. EMPLOYEES AND DIRECTORS - continued

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

Money purchase schemes	-	<u>2</u>
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Information regarding the highest paid director is as follows:

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
Emoluments etc	90,147	135,000
Pension contributions to money purchase schemes	<u>-</u>	<u>4,000</u>

5. OPERATING PROFIT

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

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
Hire of plant and machinery	243,337	263,666
Other operating leases	1,478	-
Depreciation - owned assets	522,532	422,786
(Profit)/loss on disposal of fixed assets	(7,084)	24,878
Goodwill amortisation	9,899	9,899
Negative goodwill amortisation		(27,123)
Beet tonnage contract amortisation	437	1,606
Auditors' remuneration	13,420	13,845
Auditors' remuneration for non audit work	9,961	16,333
Foreign exchange differences	<u>24,813</u>	<u>(143,840)</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
Deposit account interest	<u>3,126</u>	<u>2,805</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.5.22	Period 1.12.19 to 31.5.21
	£	£
Hire purchase interest	<u>165</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

8. TAXATION

Analysis of the tax charge

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

	Year Ended 31.5.22 £	Period 1.12.19 to 31.5.21 £
Current tax:		
UK corporation tax	653,448	613,848
Deferred tax	<u>21,118</u>	<u>19,612</u>
Tax on profit	<u>674,566</u>	<u>633,460</u>

Reconciliation of total tax charge included in profit and loss

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

	Year Ended 31.5.22 £	Period 1.12.19 to 31.5.21 £
Profit before tax	<u>3,437,358</u>	<u>3,174,920</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	653,098	603,235
Effects of:		
Expenses not deductible for tax purposes	22,245	18,600
Income not taxable for tax purposes	(23,810)	(30,777)
Capital allowances in excess of depreciation	-	(48,740)
Depreciation in excess of capital allowances	2,939	-
Partnership taxable (loss)/profits in excess of accounting (loss)/profits	-	72,639
Prior year expenses deducted this year	(1,024)	(1,108)
Deferred Tax	<u>21,118</u>	<u>19,611</u>
Total tax charge	<u>674,566</u>	<u>633,460</u>

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. DIVIDENDS

	Year Ended 31.5.22 £	Period 1.12.19 to 31.5.21 £
A Ordinary shares of £1 each		
Interim	795,600	1,193,400
B Ordinary shares of £1 each		
Interim	<u>159,639</u>	<u>319,277</u>
	<u>955,239</u>	<u>1,512,677</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Negative goodwill £	Beet tonnage contract £	Totals £
COST				
At 1 June 2021	399,990	(239,570)	14,510	174,930
Additions	-	-	(2,781)	(2,781)
At 31 May 2022	<u>399,990</u>	<u>(239,570)</u>	<u>11,729</u>	<u>172,149</u>
AMORTISATION				
At 1 June 2021	310,899	(239,570)	3,212	74,541
Amortisation for year	9,899	-	437	10,336
At 31 May 2022	<u>320,798</u>	<u>(239,570)</u>	<u>3,649</u>	<u>84,877</u>
NET BOOK VALUE				
At 31 May 2022	<u>79,192</u>	-	8,080	87,272
At 31 May 2021	<u>89,091</u>	-	11,298	100,389

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 June 2021	20,027,758	2,003,734	151,416
Additions	4,205,486	785,647	232
Disposals	-	(25,709)	-
At 31 May 2022	<u>24,233,244</u>	<u>2,763,672</u>	<u>151,648</u>
DEPRECIATION			
At 1 June 2021	154,990	1,328,247	140,855
Charge for year	124,156	215,299	1,591
Eliminated on disposal	-	-	-
At 31 May 2022	<u>279,146</u>	<u>1,543,546</u>	<u>142,446</u>
NET BOOK VALUE			
At 31 May 2022	<u>23,954,098</u>	<u>1,220,126</u>	<u>9,202</u>
At 31 May 2021	<u>19,872,768</u>	<u>675,487</u>	<u>10,561</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

12. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 June 2021	712,759	1,322,127	24,217,794
Additions	28,734	153,766	5,173,865
Disposals	(42,440)	-	(68,149)
At 31 May 2022	699,053	1,475,893	29,323,510
DEPRECIATION			
At 1 June 2021	519,082	1,123,065	3,266,239
Charge for year	50,679	130,807	522,532
Eliminated on disposal	(22,723)	-	(22,723)
At 31 May 2022	547,038	1,253,872	3,766,048
NET BOOK VALUE			
At 31 May 2022	152,015	222,021	25,557,462
At 31 May 2021	193,677	199,062	20,951,555

Included in cost of land and buildings is freehold land of £19,634,811 (2021 - £19,634,811) which is not depreciated.

Company

	Freehold property £
COST	
At 1 June 2021 and 31 May 2022	842,673
NET BOOK VALUE	
At 31 May 2022	842,673
At 31 May 2021	842,673

13. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 June 2021	1,917
Share of profits	12
At 31 May 2022	1,929
NET BOOK VALUE	
At 31 May 2022	1,929
At 31 May 2021	1,917

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

13. FIXED ASSET INVESTMENTS - continued

Company

	Interest in partnership £
COST	
At 1 June 2021 and 31 May 2022	<u>21,316,391</u>
NET BOOK VALUE	
At 31 May 2022	<u>21,316,391</u>
At 31 May 2021	<u>21,316,391</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

O A Taylor & Sons Bulbs Limited

Registered office: Washway House Farm, Washway Road, Holbeach, Spalding, Lincolnshire, PE12 7PP
Nature of business: Bulb wholesalers

	% holding
Class of shares:	
Ordinary	100.00

O A Taylor & Sons Limited

Registered office: Washway House Farm, Washway Road, Holbeach, Spalding, Lincolnshire, PE12 7PP
Nature of business: farmers and bulb growers

	% holding
Class of shares:	
Ordinary	100.00

O.A. Taylor & Sons Farms Limited

Registered office: Washway House Farm, Washway Road, Holbeach, Spalding, Lincolnshire, PE12 7PP
Nature of business: farmers and bulb growers

	% holding
Class of shares:	
Ordinary	100.00
Preference	100.00

The financial statements in respect of O.A. Taylor & Sons Limited for the year ended 31 May 2022 has not been audited as an exemption has been claimed under section 479a of the Companies Act 2006.

14. STOCKS

	Group	
	2022 £	2021 £
Raw materials	1,016,236	662,514
Work-in-progress	<u>203,634</u>	<u>23,654</u>
	<u>1,219,870</u>	<u>686,168</u>

There is no material difference between the carrying cost of stocks and its replacement value.

Impairments totalling £165,790 (2020 £126,827) were made against stock in the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	188,913	283,307	-	-
Amounts owed by group undertakings	-	-	35,655	179,625
Other debtors	41,467	49,119	-	-
VAT	72,722	-	-	-
Prepayments and accrued income	235,998	31,928	-	-
	<u>539,100</u>	<u>364,354</u>	<u>35,655</u>	<u>179,625</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Hire purchase contracts (see note 19)	44,992	-	-	-
Trade creditors	424,131	393,124	-	-
Amounts owed to group undertakings	-	-	3,059,594	6,811,760
Taxation	353,355	139,907	-	-
Other taxes and social security	85,958	60,453	-	-
VAT	-	7,026	-	-
Other creditors	294,993	241,409	274,194	224,194
Directors' loan accounts	989,050	1,107,520	989,050	1,107,520
Accruals and deferred income	373,442	235,953	31	30
	<u>2,565,921</u>	<u>2,185,392</u>	<u>4,322,869</u>	<u>8,143,504</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Preference shares (see note 18)	2,691,136	3,441,136	1,706,236	1,806,236
Hire purchase contracts (see note 19)	27,006	-	-	-
	<u>2,718,142</u>	<u>3,441,136</u>	<u>1,706,236</u>	<u>1,806,236</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due between two and five years:				
Preference shares	<u>984,900</u>	<u>1,634,900</u>	<u>-</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Preference shares	<u>1,706,236</u>	<u>1,806,236</u>	<u>1,706,236</u>	<u>1,806,236</u>

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

1,806,236	D Redeemable Preference	1	<u>1,706,236</u>	<u>1,806,236</u>
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The D class redeemable preference shares of £1 each carry no entitlement to receive dividends, hold no voting rights and rank above ordinary shares on winding up of the business, up to an amount equal to the amount paid up on the D shares.

They are redeemable at the option of the company at par value and there is no specific date for redemption.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	44,992	-
Between one and five years	27,006	-
	<u>71,998</u>	<u>-</u>

20. FINANCIAL INSTRUMENTS

Group

The group has the following financial instruments:

	2021	2021
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	188,913	283,307
Other debtors	<u>41,467</u>	<u>49,119</u>
Financial liabilities measured at amortised cost		
Trade creditors	424,131	393,124
Directors' loan accounts	143,450	1,107,520
Redeemable C shares	<u>-</u>	<u>-</u>

There is no interest income or expense for financial assets and liabilities that are not measured at fair value through profit and loss.

21. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	<u>219,263</u>	<u>198,145</u>

Group

	Deferred tax
	£
Balance at 1 June 2021	198,145
Provided during year	21,118
Acquired from subsidiary	
Balance at 31 May 2022	<u>219,263</u>

The whole of the deferred tax liability relates to accelerated capital allowances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2022 £	2021 £
1,300	A Ordinary	£1	1,300	1,300
5,366	B Ordinary	£1	<u>5,366</u>	<u>5,366</u>
			<u>6,666</u>	<u>6,666</u>

Shareholders' Rights

Both 'A' ordinary and 'B' ordinary shares confer the right to received notice of and attend general meetings as well as the right to vote, both ranking equally. They both have full rights to participate in dividend distributions to the extent declared within their respective class as directed by resolution of the members or decision of the directors. They both have equal and full rights to participate in capital distributions (or on disposals). Neither the 'A' ordinary nor the 'B' ordinary shares are redeemable.

23. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1 June 2021	10,552,785	12,393,334	22,946,119
Profit for the year	2,762,792		2,762,792
Dividends	(955,239)		(955,239)
At 31 May 2022	<u>12,360,338</u>	<u>12,393,334</u>	<u>24,753,672</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 June 2021	14,372	12,393,334	12,407,706
Profit for the year	4,706,940		4,706,940
Dividends	(955,239)		(955,239)
At 31 May 2022	<u>3,766,073</u>	<u>12,393,334</u>	<u>16,159,407</u>

a) Share premium

The share premium account represents the premium arising on the issue of shares net of issue costs.

b) Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. During the period the group made contributions on behalf of 2 directors totalling £8,000 (2020 £8,000). The group also makes contributions towards selected employees' personal pension policies. The pension charge represents contributions due from the group and amounted to £72,092 (2020 £97,470).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2022

25. OTHER FINANCIAL COMMITMENTS

At the balance sheet date, the group had outstanding currency option deals of a sterling equivalent to a maximum of £2,358,627 (2020:£1,547,103). This is in respect of forward contracts in Euros purchased as a hedge against fluctuations in currency.

26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

At the period end the group owed the directors £939,050 (2020 £1,107,520) in respect of their directors loan accounts on which no interest is being charged.

Entities over which the entity has control, joint control or significant influence

	2022	2021
	£	£
Sales		178,179
Purchases	-	925,681
Amount due from related party	<u>-</u>	<u>4,589,734</u>

Other related parties

	2022	2021
	£	£
Sales	-	2,671
Purchases	<u>-</u>	<u>25</u>

27. ULTIMATE CONTROLLING PARTY

At the balance sheet date there was no controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.