

AVOCET FARMING LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

AVOCET FARMING LIMITED

COMPANY INFORMATION

Director	M P Gill
Registered number	13057802
Registered office	Church Farm Runhall Norwich Norfolk NR9 4DR
Accountants	MA Partners LLP Chartered Accountants 7 The Close Norwich Norfolk NR1 4DJ

AVOCET FARMING LIMITED

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AVOCET FARMING LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY
FINANCIAL STATEMENTS OF AVOCET FARMING LIMITED
FOR THE PERIOD ENDED 31 MARCH 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Avocet Farming Limited for the period ended 31 March 2022 which comprise the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the director of Avocet Farming Limited in accordance with the terms of our engagement letter dated 17 March 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Avocet Farming Limited and state those matters that we have agreed to state to the director of Avocet Farming Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Avocet Farming Limited and its director for our work or for this report.

It is your duty to ensure that Avocet Farming Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Avocet Farming Limited. You consider that Avocet Farming Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or review of the financial statements of Avocet Farming Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

MA Partners LLP

Chartered Accountants

7 The Close
Norwich
Norfolk
NR1 4DJ

2 September 2022

AVOCET FARMING LIMITED
REGISTERED NUMBER: 13057802

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2022 £
Fixed assets			
Tangible assets	4		786,179
Investments	5		50
			<u>786,229</u>
Current assets			
Stocks		527,191	
Debtors: amounts falling due within one year	6	357,845	
Cash at bank and in hand		118,886	
		<u>1,003,922</u>	
Creditors: amounts falling due within one year	7	(675,635)	
Net current assets			<u>328,287</u>
Total assets less current liabilities			1,114,516
Creditors: amounts falling due after more than one year	8		(881,191)
Provisions for liabilities			
Deferred tax			(60,744)
Net assets			<u><u>172,581</u></u>
Capital and reserves			
Called up share capital			100
Capital reserve			11,765
Profit and loss account			160,716
			<u><u>172,581</u></u>

AVOCET FARMING LIMITED
REGISTERED NUMBER: 13057802

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2022.

M P Gill
Director

The notes on pages 4 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

1. General information

Avocet Farming Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The registered office is Church Farm, Runhall, Norwich, Norfolk, NR9 4DR.

The Company's principal activity is that of arable farming. It was incorporated on 2 December 2020 and began trading with effect from 1 April 2021.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover comprises revenue recognised by the Company in respect of crop sales, rents and subsidies received, licensed cropping income, work done for third parties and the operation of an AD plant, exclusive of Value Added Tax.

Revenue is recognised in the following manner:

- Crop sales - on physical delivery to the customer;
- Work done - on provision of the service to the customer;
- AD plant - recognised as the energy is generated
- Licensed cropping and rents receivable - amounts receivable in the year; and
- Subsidy income - in the year when the qualifying conditions entitling payment are met.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Pensions

Defined contribution pension plan

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Current and deferred taxation

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

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

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

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

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

2.7 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on both a reducing balance and straight line basis.

Depreciation is provided on the following basis:

Reservoir	-	4%	straight line
Buildings and improvements	-	10%	straight line
Plant & machinery	-	15%	reducing balance
Motor vehicles	-	25%	reducing balance
Tractors	-	15%	reducing balance
Office equipment	-	25%	straight line

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Stocks

Stocks and closing valuation for cultivations are valued at the lower of cost and net realisable value and have been valued by a professional valuer in accordance with the Royal Institution of Chartered Surveyors' and Central Association of Agricultural Valuers' Guidance Notes.

Net realisable value represents estimated selling price (less costs to complete and sell) for produce in store with values reduced in accordance with the guidance within H M Revenue & Customs help sheet HS232 and BIM55410 where applicable. Consumable stocks are valued at cost.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

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

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

3. Employees

The average monthly number of employees, including directors, during the period was 4.

AVOCET FARMING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

4. Tangible fixed assets

	Reservoir £	Buildings & improvements £	Plant & equipment £	Tractors & vehicles £	Total £
Cost or valuation					
Additions	-	21,577	99,192	287,044	407,813
Transfers on demerger	80,311	2,516	368,883	47,908	499,618
Disposals	-	(4,250)	(11,875)	(35,645)	(51,770)
At 31 March 2022	80,311	19,843	456,200	299,307	855,661
Depreciation					
Charge for the period on owned assets	3,212	252	27,905	8,412	39,781
Charge for the period on financed assets	-	-	35,048	-	35,048
Disposals	-	-	-	(5,347)	(5,347)
At 31 March 2022	3,212	252	62,953	3,065	69,482
Net book value					
At 31 March 2022	77,099	19,591	393,247	296,242	786,179

5. Fixed asset investments

	Unlisted investments £
Cost	
Additions	50
At 31 March 2022	50

6. Debtors

	2022 £
Trade debtors	115,623
Other debtors	135,780

AVOCET FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

6. Debtors (continued)

Prepayments and accrued income	106,442
	<u>357,845</u>

7. Creditors: Amounts falling due within one year

	2022 £
Trade creditors	375,132
Amounts owed to group undertakings	129,017
Other taxation and social security	2,127
Obligations under finance lease and hire purchase contracts	96,871
Other creditors	32,765
Accruals and deferred income	39,723
	<u>675,635</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets financed.

8. Creditors: Amounts falling due after more than one year

	2022 £
Net obligations under finance leases and hire purchase contracts	262,448
Amounts owed to group undertakings	618,743
	<u>881,191</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets financed.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2022 £
Repayable by instalments	<u>34,428</u>

AVOCET FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

9. Deferred taxation

	2022 £
Charged to profit or loss	(5,784)
Transfer on demerger	54,960
At end of year	60,744

The deferred taxation balance is made up as follows:

	2022 £
Accelerated capital allowances	115,568
Tax losses carried forward	(54,824)
	60,744

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

10. Share capital

	2022 £
Allotted, called up and fully paid	
100 ordinary shares of £1 each	<u>100</u>

100 ordinary shares of £1 each were allotted during the year.

11. Transactions with directors

During the period the Company paid personal expenses of **£38,031** on behalf of the director. Credits to the loan account during the period totalled **£18,796**.

12. Related party transactions

As at 31 March 2022, the Company was owed **£9,376** by the director. Interest was charged on the overdrawn balance at a rate of 2% per annum.

This balance is included within other debtors in note 6 to the financial statements and is repayable on demand.

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.