

**MAXWELL FARMS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023
PAGES FOR FILING WITH THE REGISTRAR**

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FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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MAXWELL FARMS LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	3	3,788,254	4,048,861
Investments	4	103	103
		3,788,357	4,048,964
Current assets			
Stocks	5	1,693,704	1,511,871
Debtors	6	618,138	933,143
Cash at bank and in hand		770,077	171,749
		3,081,919	2,616,763
Creditors: amounts falling due within one year	7	(1,685,319)	(1,812,525)
Net current assets		1,396,600	804,238
Total assets less current liabilities		5,184,957	4,853,202
Creditors: amounts falling due after more than one year	8	(2,250,874)	(2,662,376)
Provision for liabilities	9	(672,900)	(523,794)
Net assets		2,261,183	1,667,032
Capital and reserves			
Called-up share capital	10	100	100
Profit and loss account		2,261,083	1,666,932
Total shareholders' funds		2,261,183	1,667,032

For the financial year ending 31 August 2023 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Maxwell Farms Limited (registered number: SC162420) were approved and authorised for issue by the Board of Directors on 22 March 2024. They were signed on its behalf by:

Graham Maxwell
Director

Peter Maxwell
Director

MAXWELL FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Maxwell Farms Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is Auldtown Of Carnousie, Forglen, Turriff, AB53 4LL, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

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

Turnover

Turnover represents amounts receivable from the sale of crops and provision of contracting services.

Turnover from the sale of crops is recognised at the point of supply based on despatch of goods.

Turnover from contracting services is recognised on a straight line basis based on hours worked.

Basic payment scheme income is recognised in line with the government grants accounting policy detailed below.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Statement of Income and Retained Earnings in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	5 - 50 years straight line
Plant and machinery etc.	20 % reducing balance
	20 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Income and Retained Earnings over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

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.

Stocks include biological assets in the form of growing crops which are expected to be converted to cash or a cash equivalent within the next 12 months. Biological assets are measured at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

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Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities

Basic financial liabilities, including 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

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

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Employees

	2023	2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	20	29

3. Tangible assets

	Land and buildings	Plant and machinery etc.	Total
	£	£	£
Cost			
At 01 September 2022	1,253,135	6,304,029	7,557,164
Additions	0	382,288	382,288
Disposals	0	(250,000)	(250,000)
At 31 August 2023	1,253,135	6,436,317	7,689,452
Accumulated depreciation			
At 01 September 2022	240,244	3,268,059	3,508,303
Charge for the financial year	22,050	549,507	571,557
Disposals	0	(178,662)	(178,662)
At 31 August 2023	262,294	3,638,904	3,901,198
Net book value			
At 31 August 2023	990,841	2,797,413	3,788,254
At 31 August 2022	1,012,891	3,035,970	4,048,861

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4. Fixed asset investments

	2023	2022
	£	£
Other investments and loans	103	103

5. Stocks

	2023	2022
	£	£
Other stock	1,693,704	1,511,871

6. Debtors

	2023	2022
	£	£
Trade debtors	4,955	213,724
Other debtors	613,183	719,419
	618,138	933,143

7. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	268,921	237,820
Trade creditors	571,286	835,073
Taxation and social security	79,755	15,337
Obligations under finance leases and hire purchase contracts	408,391	394,091
Other creditors	356,966	330,204
	1,685,319	1,812,525

The bank overdraft and bank loans are secured by a standard security and a floating charge over the whole of the property and undertaking of the company.

Current obligations under finance leases are secured over the assets to which they relate.

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

	2023	2022
	£	£
Bank loans	1,447,452	1,552,198
Obligations under finance leases and hire purchase contracts	408,422	715,178
Other creditors	395,000	395,000
	2,250,874	2,662,376

The bank loans are secured by a standard security and a floating charge over the whole of the property and undertaking of the company.

Current obligations under finance leases are secured over the assets to which they relate.

9. Deferred tax

	2023	2022
	£	£
At the beginning of financial year	(523,794)	(504,789)
Charged to the Profit and Loss Account	(149,106)	(19,005)
At the end of financial year	(672,900)	(523,794)

10. Called-up share capital

	2023	2022
	£	£
Allotted, called-up and fully-paid		
200 Ordinary shares of £ 0.50 each	100	100
395,000 Red. Pref. redeemable preference shares of £ 1.00 each	395,000	395,000
	395,100	395,100

11. Related party transactions

Transactions with owners holding a participating interest in the entity

	2023	2022
	£	£
Amounts owed to key management personnel	146,998	(202,503)
Amounts owed by Key management personnel	444,560	543,793

The above balances are unsecured, interest free and have no fixed terms of repayment.

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.

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