

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

FOR

PARKHAM FARMS LTD

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FOR THE YEAR ENDED 30 NOVEMBER 2020

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PARKHAM FARMS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2020

DIRECTORS:

P A Willes
Mrs S J Berry
Mrs E L Beer

SECRETARY:

P A Willes

REGISTERED OFFICE:

St. John's House
Castle Street
Taunton
Somerset
TA1 4AY

REGISTERED NUMBER:

02226704 (England and Wales)

AUDITORS:

MITCHELLS
Chartered Accountants and Statutory Auditors
St. John's House
Castle Street
TAUNTON
Somerset
TA1 4AY

BANKERS:

Lloyds Bank plc
5, High Street
BIDEFORD
Devon

STRATEGIC REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present their strategic report for the year ended 30 November 2020.

REVIEW OF BUSINESS

The company has continued to achieve good results in a competitive market place.

Year ended	30 November 2020	30 November 2019
Turnover (£)	34,902,562	32,559,859
Turnover growth (%)	7.2	(3.3)
Gross profit margin (%)	10.8	12.3
Profit before tax (£)	940,455	838,427

At the end of the year, the net assets totalled £12,367,295 (2019 £11,605,028)

Given the straight forward nature of the business, the company's directors are of the opinion that any further analysis using key performance indicators [KPI's] is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has a good track record for quality produce. The trading performance of the company could, however, be affected if there were to be any significant problems with the quality of cheese stocks either due to production or storage issues. This is no different a position to any other manufacturer in this industry and neither of these factors have increased in likelihood. There are no other risks of sufficient importance to mention in this report. The company's directors are confident that the business will continue to adapt to changing business circumstances

ON BEHALF OF THE BOARD:

P A Willes - Secretary

31 July 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present their report with the financial statements of the company for the year ended 30 November 2020.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of manufacturing and selling cheese and marketing surplus milk.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2019 to the date of this report.

P A Willes
Mrs S J Berry
Mrs E L Beer

DISCLOSURE IN THE STRATEGIC REPORT

The Strategic Report on page 2 sets out a fair review of the business and a description of the principal risks and uncertainties facing the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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). 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 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 NOVEMBER 2020

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 company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

P A Willes - Secretary

31 July 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PARKHAM FARMS LTD

Opinion

We have audited the financial statements of Parkham Farms Ltd (the 'company') for the year ended 30 November 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 company's affairs as at 30 November 2020 and of its 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PARKHAM FARMS LTD

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 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, 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 Statement of Directors' Responsibilities set out on page three, 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 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.

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.

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.

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.

David Mitchell FCA (Senior Statutory Auditor)
for and on behalf of MITCHELLS
Chartered Accountants and Statutory Auditors
St. John's House
Castle Street
TAUNTON
Somerset
TA1 4AY

26 August 2021

INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	30.11.20 £	£	30.11.19 £	£
TURNOVER	3		34,902,562		32,559,859
Cost of sales			<u>31,094,800</u>		<u>28,544,547</u>
GROSS PROFIT			3,807,762		4,015,312
Distribution costs		279,612		280,649	
Administrative expenses		<u>2,577,754</u>		<u>2,845,499</u>	
			<u>2,857,366</u>		<u>3,126,148</u>
			950,396		889,164
Other operating income	4		47,271		41,623
Gain/loss on revaluation of investment property			<u>-</u>		<u>(7,086)</u>
OPERATING PROFIT	7		997,667		923,701
Interest receivable and similar income	8		<u>11,644</u>		<u>52,306</u>
			1,009,311		976,007
Interest payable and similar expenses	9		<u>68,856</u>		<u>137,580</u>
PROFIT BEFORE TAXATION			940,455		838,427
Tax on profit	10		<u>178,188</u>		<u>163,457</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>762,267</u></u>		<u><u>674,970</u></u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	30.11.20 £	30.11.19 £
PROFIT FOR THE YEAR		762,267	674,970
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>762,267</u>	<u>674,970</u>

The notes form part of these financial statements

BALANCE SHEET
30 NOVEMBER 2020

	Notes	30.11.20 £	£	30.11.19 £	£
FIXED ASSETS					
Tangible assets	11		1,545,373		755,027
Investment property	12		<u>175,000</u>		<u>175,000</u>
			1,720,373		930,027
CURRENT ASSETS					
Stocks	13	12,303,175		12,456,378	
Debtors	14	2,345,166		3,664,514	
Cash at bank and in hand		<u>4,544,015</u>		<u>3,501,812</u>	
		19,192,356		19,622,704	
CREDITORS					
Amounts falling due within one year	15	<u>8,335,419</u>		<u>8,886,166</u>	
NET CURRENT ASSETS			<u>10,856,937</u>		<u>10,736,538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,577,310		11,666,565
PROVISIONS FOR LIABILITIES	19		(209,757)		(61,021)
ACCRUALS AND DEFERRED INCOME	20		<u>(258)</u>		<u>(516)</u>
NET ASSETS			<u>12,367,295</u>		<u>11,605,028</u>
CAPITAL AND RESERVES					
Called up share capital	21		100,001		100,001
Share premium	22		4		4
Fair value reserve	22		(5,740)		(5,740)
Retained earnings	22		<u>12,273,030</u>		<u>11,510,763</u>
SHAREHOLDERS' FUNDS			<u>12,367,295</u>		<u>11,605,028</u>

BALANCE SHEET - continued
30 NOVEMBER 2020

The financial statements were approved by the Board of Directors and authorised for issue on 31 July 2021 and were signed on its behalf by:

P A Willes - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Balance at 1 December 2018	100,001	10,830,053	4	-	10,930,058
Changes in equity					
Total comprehensive income	-	680,710	-	(5,740)	674,970
Balance at 30 November 2019	100,001	11,510,763	4	(5,740)	11,605,028
Changes in equity					
Total comprehensive income	-	762,267	-	-	762,267
Balance at 30 November 2020	100,001	12,273,030	4	(5,740)	12,367,295

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	30.11.20 £	30.11.19 £
Cash flows from operating activities			
Cash generated from operations	1	5,010,143	407,000
Interest paid		(148,931)	(60,124)
Tax paid		(158,513)	67,001
Net cash from operating activities		<u>4,702,699</u>	<u>413,877</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,060,121)	(174,797)
Purchase of investment property		-	(182,086)
Sale of tangible fixed assets		7,500	9,500
Interest received		47,650	61,424
Net cash from investing activities		<u>(1,004,971)</u>	<u>(285,959)</u>
Cash flows from financing activities			
New loans in year		3,200,000	3,548,834
Loan repayments in year		(6,200,515)	-
Net cash from financing activities		<u>(3,000,515)</u>	<u>3,548,834</u>
Increase in cash and cash equivalents		<u>697,213</u>	<u>3,676,752</u>
Cash and cash equivalents at beginning of year	2	3,397,033	(279,719)
Cash and cash equivalents at end of year	2	<u>4,094,246</u>	<u>3,397,033</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2020

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

	30.11.20	30.11.19
	£	£
Profit before taxation	940,455	838,427
Depreciation charges	262,275	316,527
Profit on disposal of fixed assets	-	(8,142)
Loss on revaluation of fixed assets	-	7,086
Government grants	(258)	(259)
Finance costs	68,856	137,580
Finance income	(11,644)	(52,306)
	<u>1,259,684</u>	<u>1,238,913</u>
Decrease/(increase) in stocks	153,203	(1,855,735)
Decrease in trade and other debtors	1,283,342	1,461,718
Increase/(decrease) in trade and other creditors	<u>2,313,914</u>	<u>(437,896)</u>
Cash generated from operations	<u><u>5,010,143</u></u>	<u><u>407,000</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 November 2020

	30.11.20	1.12.19
	£	£
Cash and cash equivalents	4,544,015	3,501,812
Bank overdrafts	<u>(449,769)</u>	<u>(104,779)</u>
	<u><u>4,094,246</u></u>	<u><u>3,397,033</u></u>

Year ended 30 November 2019

	30.11.19	1.12.18
	£	£
Cash and cash equivalents	3,501,812	6,809
Bank overdrafts	<u>(104,779)</u>	<u>(286,528)</u>
	<u><u>3,397,033</u></u>	<u><u>(279,719)</u></u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2020

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.12.19 £	Cash flow £	At 30.11.20 £
Net cash			
Cash at bank and in hand	3,501,812	1,042,203	4,544,015
Bank overdrafts	<u>(104,779)</u>	<u>(344,990)</u>	<u>(449,769)</u>
	<u>3,397,033</u>	<u>697,213</u>	<u>4,094,246</u>
Debt			
Debts falling due within 1 year	<u>(5,356,661)</u>	<u>3,000,515</u>	<u>(2,356,146)</u>
	<u>(5,356,661)</u>	<u>3,000,515</u>	<u>(2,356,146)</u>
Total	<u>(1,959,628)</u>	<u>3,697,728</u>	<u>1,738,100</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

1. STATUTORY INFORMATION

Parkham Farms Ltd 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 Company 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 as modified by the revaluation of certain assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost.

Depreciation is calculated in order to write down the cost of fixed assets over their expected useful lives.

The rates applied to the fixed assets are as follows:

Property Improvements	5% Straight Line
Plant and Machinery owned and acquired on hire purchase	33% Reducing Balance
Leased Equipment	10% Straight Line

No depreciation is charged on the freehold property as this represents 4.573 Acres of land only. The cost of the buildings sited on this land are included in other categories of fixed assets and are depreciated accordingly.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Cheese stocks on hand are stated at the cost of raw materials plus manufacturing costs less provisions where it is anticipated these costs will not be recoverable. Other stocks on hand are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less all further costs to completion and all costs to be incurred on disposal.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Government grants

The government grant relates to expenditure on fixed assets. The company's policy is to treat such grants as deferred income and they are then credited to the profit and loss account over the expected useful life of the asset. The basis of calculating the amounts to be credited to the profit and loss account is consistent with the depreciation policy applied to the asset.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	30.11.20	30.11.19
	£	£
Sale of goods	34,878,015	32,518,464
Grants and subsidies	24,547	41,395
	<u>34,902,562</u>	<u>32,559,859</u>

4. OTHER OPERATING INCOME

	30.11.20	30.11.19
	£	£
Rents Received	38,826	31,885
Contracting and Work Done	5,750	9,000
Wayleaves	488	479
Government grants	258	259
Exchange gains	1,949	-
	<u>47,271</u>	<u>41,623</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

5. EMPLOYEES AND DIRECTORS

	30.11.20	30.11.19
	£	£
Wages and salaries	753,390	795,532
Social security costs	240,467	243,768
Other pension costs	47,225	26,687
	<u>1,041,082</u>	<u>1,065,987</u>

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

	30.11.20	30.11.19
Directors	3	3
Production, storage and handling	27	28
Milk collection lorry drivers	5	5
Administration	3	3
Local sales	<u>1</u>	<u>1</u>
	<u>39</u>	<u>40</u>

6. DIRECTORS' EMOLUMENTS

	30.11.20	30.11.19
	£	£
Directors' remuneration	39,900	54,975
Directors' pension contributions to money purchase schemes	30,690	10,999
	<u> </u>	<u> </u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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7. OPERATING PROFIT

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

	30.11.20	30.11.19
	£	£
Hire of plant and machinery on operating leases	1,714	2,612
Depreciation - owned assets	262,275	316,527
Profit on disposal of fixed assets	-	(8,142)
Auditors' remuneration	5,415	5,215
Foreign exchange differences	(1,949)	426
Hire of plant and machinery	31,763	35,763
Accountancy and tax services provided by Auditors Firm	<u>36,709</u>	<u>33,262</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

8. INTEREST RECEIVABLE AND SIMILAR INCOME		
	30.11.20	30.11.19
	£	£
Interest received gross	<u>11,644</u>	<u>52,306</u>
9. INTEREST PAYABLE AND SIMILAR EXPENSES		
	30.11.20	30.11.19
	£	£
Bank interest	17,301	5,995
Loan Interest	51,510	131,585
Trade Interest	45	-
	<u>68,856</u>	<u>137,580</u>
10. TAXATION		
Analysis of the tax charge		
The tax charge on the profit for the year was as follows:		
	30.11.20	30.11.19
	£	£
Current tax:		
UK corporation tax	29,452	158,513
Deferred tax	148,736	4,944
Tax on profit	<u>178,188</u>	<u>163,457</u>
Reconciliation of total tax charge included in profit and loss		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:		
	30.11.20	30.11.19
	£	£
Profit before tax	<u>940,455</u>	<u>838,427</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	178,686	159,301
Effects of:		
Expenses not deductible for tax purposes	73	2,805
Income not taxable for tax purposes	(49)	(49)
Capital allowances in excess of depreciation	(155,418)	(4,538)
Deferred tax movement re capital allowances	154,847	7,235
Deferred tax movement re government grant	49	49
Deferred tax movement re investment property	-	(1,346)
Total tax charge	<u>178,188</u>	<u>163,457</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

11. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Totals £
COST				
At 1 December 2019	45,556	469,276	6,033,450	6,548,282
Additions	-	52,950	1,007,171	1,060,121
Disposals	-	-	(7,500)	(7,500)
At 30 November 2020	<u>45,556</u>	<u>522,226</u>	<u>7,033,121</u>	<u>7,600,903</u>
DEPRECIATION				
At 1 December 2019	-	373,336	5,419,919	5,793,255
Charge for year	-	16,839	245,436	262,275
At 30 November 2020	-	<u>390,175</u>	<u>5,665,355</u>	<u>6,055,530</u>
NET BOOK VALUE				
At 30 November 2020	<u>45,556</u>	<u>132,051</u>	<u>1,367,766</u>	<u>1,545,373</u>
At 30 November 2019	<u>45,556</u>	<u>95,940</u>	<u>613,531</u>	<u>755,027</u>

Freehold property represents 4.573 Acres of land on which no depreciation has been charged. The buildings erected on this land are included within improvements to property and the cold stores that stand on this land are included within plant and equipment. The buildings and plant are all being depreciated within those separate categories of fixed assets.

The bank has a first legal charge over the freehold property.

12. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 December 2019 and 30 November 2020	<u>175,000</u>
NET BOOK VALUE	
At 30 November 2020	<u>175,000</u>
At 30 November 2019	<u>175,000</u>

Fair value at 30 November 2020 is represented by:

	£
Valuation in 2019	(7,086)
Cost	<u>182,086</u>
	<u>175,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

12. INVESTMENT PROPERTY - continued

If investment property had not been revalued it would have been included at the following historical cost:

	30.11.20	30.11.19
	£	£
Cost	<u>182,086</u>	<u>182,086</u>

Investment property was valued on an open market basis on 30 November 2020 by R A Berry of Phillips Smith & Dunn .

13. STOCKS

	30.11.20	30.11.19
	£	£
Cheese, Butter and Cream	12,061,554	12,310,938
Raw Materials and Sundry Stock	<u>241,621</u>	<u>145,440</u>
	<u>12,303,175</u>	<u>12,456,378</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.20	30.11.19
	£	£
Trade debtors	1,751,983	3,195,529
Other debtors	406,881	244,130
Other loans	150,000	150,000
Prepayments and accrued income	<u>36,302</u>	<u>74,855</u>
	<u>2,345,166</u>	<u>3,664,514</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.11.20	30.11.19
	£	£
Bank loans and overdrafts (see note 16)	449,769	104,779
Other loans (see note 16)	2,356,146	5,356,661
Trade creditors	5,212,249	2,919,284
Tax	29,452	158,513
Social security and other taxes	12,902	10,018
Other creditors	106,713	98,547
Amounts owed to Willes Farming Limited	13,285	9,436
Amounts owed to Beckland Dairy	61,885	63,165
Accrued expenses	<u>93,018</u>	<u>165,763</u>
	<u>8,335,419</u>	<u>8,886,166</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

16. LOANS

An analysis of the maturity of loans is given below:

	30.11.20 £	30.11.19 £
Amounts falling due within one year or on demand:		
Bank overdrafts	449,769	104,779
Willes Farming Ltd Loan	2,356,146	5,356,661
	<u>2,805,915</u>	<u>5,461,440</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.11.20 £	30.11.19 £
Within one year	840	1,120
Between one and five years	-	840
	<u>840</u>	<u>1,960</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	30.11.20 £	30.11.19 £
Bank overdrafts	<u>449,769</u>	<u>104,779</u>

Bank overdrafts are secured by an unlimited debenture over the company's assets dated 18.8.1989 including the right of set-off, an unlimited guarantee dated 17.12.2001 and a first legal charge over the freehold property known as Cheese Plant, Higher Alminstone Farm, Woolfardisworthy, Devon dated 22.5.2003.

19. PROVISIONS FOR LIABILITIES

	30.11.20 £	30.11.19 £
Deferred tax		
Accelerated/(decelerated) capital allowances re plant & equipment	187,429	32,206
Stock valuation adjustment	24,099	30,259
Accelerated capital allowances re industrial buildings	(376)	-
Deferred government grant	(49)	(98)
Investment gains	(1,346)	(1,346)
	<u>209,757</u>	<u>61,021</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

19. PROVISIONS FOR LIABILITIES - continued

	Deferred tax
	£
Balance at 1 December 2019	61,021
Provided during year	154,847
Unused amounts reversed during year	(6,111)
Balance at 30 November 2020	<u>209,757</u>

20. ACCRUALS AND DEFERRED INCOME

	30.11.20	30.11.19
	£	£
Deferred government grants	<u>258</u>	<u>516</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.11.20	30.11.19
			£	£
100,001	Ordinary	£1	<u>100,001</u>	<u>100,001</u>

The ordinary shares carry full rights to vote, to participate in dividends and on a winding up of the company.

22. RESERVES

	Retained earnings	Share premium	Fair value reserve	Totals
	£	£	£	£
At 1 December 2019	11,510,763	4	(5,740)	11,505,027
Profit for the year	762,267	-	-	762,267
At 30 November 2020	<u>12,273,030</u>	<u>4</u>	<u>(5,740)</u>	<u>12,267,294</u>

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

P. A. Willes is a director and the controlling shareholder of Willes Farming Ltd. He also owns the farms in Wales which the company occupies rent free and is the proprietor of the business known as Beckland Dairy. The company has been involved in several arms length transactions with the director and these businesses as summarised in the related party disclosures note.

As highlighted in the secured debts note, P. A. Willes has given an unlimited guarantee to the bank dated 17.12.2001. The bank have granted an overall overdraft facility to Mr Willes' businesses: Parkham Farms Ltd; Willes Farming Ltd and Beckland Dairy with a limit of £3m. A guarantee for this amount has been given by Parkham Farms Ltd.

24. RELATED PARTY DISCLOSURES

Key management personnel compensation is disclosed in Note 6 on page 17.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2020

24. RELATED PARTY DISCLOSURES - continued

Other related parties

	30.11.20	30.11.19
	£	£
Sales	12,861	5,416
Purchases	(10,383,153)	(9,837,219)
Interest	(51,510)	(98,085)
Amount due to related party	<u>(4,078,113)</u>	<u>(6,417,596)</u>

25. ULTIMATE CONTROLLING PARTY

The controlling party is P A Willes.

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