

Company Registration No. 00713606 (England and Wales)

AGRICULTURAL CENTRAL TRADING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

AGRICULTURAL CENTRAL TRADING LIMITED

COMPANY INFORMATION

Directors	G Brown (Chairman) M Corfield I Davey A Beaty S Dutton M Nicklin H Fellows
Secretary	G Foster
Company number	00713606
Registered office	28 Atcham Business Park Atcham Shrewsbury Shropshire SY4 4UG United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6AD

AGRICULTURAL CENTRAL TRADING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

The turnover of the company for the year amounted to £104.8m (2020 - £101.7m). This resulted in a profit before tax and members' bonus of £975,581 (2020 - £712,805) from which is deducted a bonus of £587,353 (2020 - £448,091) paid to members.

The company's main objective is to benefit its members. This is measured through the key performance indicators set out below. These indicators show the company continues to deliver significant benefits to its members.

	2021	2020
Members' trading bonus	£7.50 per £1,000 of purchases	£6.00 per £1,000 of purchases
Total members' trading bonus	£587,353	£448,091
Number of active members*	3,412	3,495

*Defined as members that have traded within the financial year.

The bonus paid to members for the year to 30 June 2021 was calculated at a rate of £7.50 (2020 - £6.00) per £1,000 of their purchases from the company during the financial year plus 3% (2020 - 3%) p.a. interest on their shareholding at 30 June 2021, with a minimum payment of £25 (2020 - £25). A small number of members owning less than 40 (2020 - 40) shares received a reduced rate of bonus. Accounting convention requires that the two elements of bonus (trading and interest) be treated separately in the statement of comprehensive income.

The profit before taxation of £388,228 (2020 - £264,714) showing in the statement of comprehensive income is after the trading element of the bonus. The gross profit of £5,717,221 (2020 - £5,697,991) was 5.45% of revenue (2020 - 5.60%).

At 30 June 2021 total equity increased to £15.0m (2020 - £14.6m). The value of stock at 30 June 2021 was £1,007,820 (2020 - £1,155,746). The total value of debtors over 60 days old and with an account value of more than £2,000 at 30 June 2021 was £1m (2020 - £0.8m).

During the year John Hamilton retired as Managing Director. Mark Nicklin was appointed Chief Executive Officer as successor to John Hamilton. Following the move of the Finance function during year ended 2020 the previous Head Office in Chesham, Buckinghamshire was closed, the costs of the closure have been accounted for in the year ended 30th June 2021.

The main activities of the company continue to be related to the timely supply of competitively priced inputs to farmers. The principal inputs are animal feeds and fertiliser as well as other items used by livestock and cereal farmers.

The company continued to operate a 'business as usual' approach to look to ensure its members continue to receive inputs without disruption as far as possible. The business continued to follow all government guidance, as food production fell into the key worker category. Staff health and safety continued to be a priority and although the majority of desk-based employees are attending an office, measures have been taken to improve ventilation and increase space available. During the twelve months to June 2021 the pandemic continued to have a minimal impact on the operations of the company as employees worked from home and suppliers were able to fulfil orders in a timely manner, although when travel was restricted there was slight lengthening of delivery times for some products. The directors do not consider that the restrictions have had a materially adverse effect on the company's results for the year.

AGRICULTURAL CENTRAL TRADING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Strategic objectives

The strategic objectives of the company are:

- to provide competitively priced inputs and agricultural advice to its customers;
- to trade profitably in order to return value to its members;
- to invest profits to ensure a continuing future for the company and its members;
- to operate in a sustainable manner, complying with all environmental and community standards to ensure the long term future for the markets in which the company operates.

In furtherance of this strategy during the year the company:

- optimised its investment in inventory through partnerships with its suppliers who deliver bespoke and standard products direct to the customer;
- maintained close relationships with key suppliers and used resources to ensure any adverse impact of products sold on the environment is minimised or mitigated;
- used its resources to offer credit to selected customers in order to maintain and grow the business;
- maintained close relationships with customers in order to meet their changing input demands and ensure their ongoing viability;
- continued to train and develop its employees to meet the needs of the business, maintain close relationships with suppliers and meet the regulatory regime within the agricultural sector; and
- disposed of its remaining freehold assets as these do not form part of the ongoing strategy of the company.

The external environment

Significant price increases across feed, fuel and harvest wrap product sectors have presented the business and its customers with difficulties during the year, however the majority of these challenges have been overcome by utilising alternative supply options wherever possible. The company reduces its risk from fluctuating prices by holding minimal unsold stock lines. In the year the company continued to consolidate its position by maintaining its share of the markets in which it operates.

Uncertainty relating to the impact of the UK's exit from the European Union on sterling, subsidies to farmers and the level of trade outside the UK is continuously considered by the directors of the company to ensure the company continues to meet its strategic objectives

ACT and its suppliers have been impacted by shortages of HGV drivers and general problems through the supply chain. This has caused longer lead times for customers at points during the year. The business has mitigated this by maintaining close relationships with existing suppliers and identifying suitable new suppliers. Continual communication with customers has been maintained fully appraising customers of the updated position regarding availability of their input requirements.

High wholesale gas prices have caused some volatility in supply of fertiliser. The price of fertiliser has also been increasing throughout the year. The business has relationships with all major suppliers of fertiliser in the UK and would therefore expect to be able to continue to meet the customers demand for fertiliser over the coming 12 months.

Principal risks and uncertainties

- Credit risk: Management has credit control policies in place to monitor risk on an ongoing basis. Credit evaluations are performed on customers requiring credit.
- Interest rate risk: The company has variable rate working capital facilities and deposit accounts which are exposed to changes in interest rates.
- Market risk: Market risk is constantly monitored through the monitoring of industry data and our positioning in relation to our competitors. As detailed above, risk from market fluctuations in price is reduced by low stock holding levels and selected purchases of consignment stock.
- Liquidity risk: The company monitors its liquidity to ensure it can meet its liabilities as they fall due. This includes ensuring banking lines are available to fund working capital requirements.

AGRICULTURAL CENTRAL TRADING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

S172(1) statement

The Board of Directors, in accordance with their duties in law, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members whilst having regard to the specific matters set out in section 172(1) (a) to (f) of the Companies Act 2006.

Specific Matters Section 172

(a) At every Board meeting the directors consider the likely consequences of any decision in the long term; each year the level of trading bonus payable is set bearing in mind the need to retain funds to invest in the people and assets of the business for the future viability of the company. The decision to relocate the Finance function during 2019/20 reflected the need to ensure robust succession planning and development as with relatively small tangible assets there is a recognition that company employees are key to the company's ongoing and long-term success.

(b) The interests of the company's employees were considered in the continuing investment in training and development for all with needs established through a well-established appraisal system.

(c) The need to foster business relationships with suppliers is recognised and reflected in the long and close relationships the company has with its major suppliers, the continual development of products specific to ACT and suppliers' continued recognition of the company's success in delivering their products to market. The company's relationship with its customers is close; over 70% of turnover arises from members who therefore have an interest in the company's continued sustainability.

(d) The impact of the existence of the company owned by its customers on the community is tangible as it allows smaller customers to harness the purchasing power of the business and so retains vital activity in rural areas. The impact of the company's operations on the environment is mitigated through payment of duties, taxes and levies as required by the regulatory authorities.

(e) The directors ensure the maintenance of high standards of business conduct through ongoing training and professional development programmes for employees together with membership of relevant industry bodies governing the sale of agricultural inputs.

(f) The directors demonstrate fairness in their treatment of members by following the rules laid out in the Articles of Association, specifically in relation to payment of the trading bonus which relates to members' purchases from the company.

By order of the board

G Foster

Secretary

20 October 2021

AGRICULTURAL CENTRAL TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company is the supply of requisites to farmers, growers and wholesalers. The directors are satisfied with the results for the year.

Directors

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

J Hamilton (Resigned 1 April 2021)
G Brown (Chairman)
M Corfield
I Davey
A Beaty
S Dutton
M Nicklin
H Fellows

Results and dividends

The results for the year are set out on page 10. Particulars of the members' bonus - interest on shares proposed - are detailed in note 14 to the financial statements.

Directors' insurance

The company maintains insurance in respect of its directors, officers and senior management.

Future developments

The directors aim to ensure that the company will continue to react to prevailing market conditions and aim to improve sales and profitability in the forthcoming year.

Auditor

A resolution to reappoint RSM UK Audit LLP as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) regulations 2013 the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been set out in the company's strategic report. This includes information that would have been included in the business review and the principal risks and uncertainties.

AGRICULTURAL CENTRAL TRADING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Energy and carbon statement

	2021	2020
Energy consumption used to calculate emissions (gas, electricity, transport and other energy sources) (kWh)	1,096,276	1,136,063
Emissions from combustion of gas (tonnes of CO2 emitted)	5	4
Emissions from combustion of fuel for transport purposes (tonnes of CO2 emitted)	228	239
Emissions from purchased electricity (tonnes of CO2 emitted)	27	43
	260	286
Tonnes of CO2 emitted per £1m turnover	2.48	2.81

Methodology used to calculate energy consumed and CO2 emissions:

- **Gas:** We have recorded the kWh which are supplied on our gas bills using a conversion factor to CO2 sourced from Carbon Trust
- **Transport:** We have used information from our single supplier of fuel for motor vehicles during the financial year. We have estimated the CO2 from each litre of motor fuel based on the Carbon Trust conversion
- **Electricity:** We have recorded the kWh which are supplied on our electricity bills using a conversion factor to CO2 sourced from Carbon Trust.

Energy efficiency measures taken during the year:

The company continues to rely on around 60% of the workforce working from home and visiting customers at their premises in order to conduct business. The first lockdown due to Covid 19 in March 2020 caused the business to adopt new way of working with our customers, increasing the reliance on telephone and IT using video calling. This has continued during this year and has reduced the number of farm visits made by employees using motor vehicles.

The number of vehicles operated by the company has reduced slightly for the second year running. We will continue to encourage employees to consider the lowest carbon producing vehicle available that is suitable for their needs. The business is exploring the potential to increase the number of hybrid vehicles in the fleet along with inclusion of electric vehicles wherever possible.

The company has closed its largest office space during the year, reducing the need for energy use at this location, the function has been migrated into an existing branch.

By order of the board

G Foster
Secretary

20 October 2021

AGRICULTURAL CENTRAL TRADING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Agricultural Central Trading Limited website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL CENTRAL TRADING LIMITED

Opinion

We have audited the financial statements of Agricultural Central Trading Limited (the 'company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL CENTRAL TRADING LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL CENTRAL TRADING LIMITED (CONTINUED)

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

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

The most significant laws and regulations that have an indirect impact on the financial statements are the Fertiliser Industry Assurance Scheme, Universal Feed Assurance Scheme and Veterinary Medicines Directorate. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected public databases maintained by the relevant regulatory authorities for any potential notices or breaches.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, testing the recognition of a sample of revenue items with reference to the relevant contractual and shipping documentation, and reviewing the appropriateness of journal entries as they relate to revenue.

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

Use of our report

This report is made solely to the company's 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Morgan (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD
21 October 2021

AGRICULTURAL CENTRAL TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	4	104,836,804	101,723,230
Cost of sales		(99,119,583)	(96,025,239)
Gross profit		<u>5,717,221</u>	<u>5,697,991</u>
Administrative expenses		(5,463,063)	(5,638,368)
Operating profit	8	<u>254,158</u>	<u>59,623</u>
Interest receivable and similar income	10	126,039	234,528
Interest payable and similar expenses	11	(1,969)	(29,437)
Other gains and losses	12	10,000	-
Profit before taxation		<u>388,228</u>	<u>264,714</u>
Tax on profit	13	(58,146)	(52,255)
Profit for the financial year		<u><u>330,082</u></u>	<u><u>212,459</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income statement.

AGRICULTURAL CENTRAL TRADING LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Goodwill	15		-		31,439
Other intangible assets	15		85,586		172,671
			<u>85,586</u>		<u>204,110</u>
Total intangible assets			85,586		204,110
Tangible assets	16		582,939		640,931
Investment properties	17		-		450,000
Investments	18		100		100
			<u>668,625</u>		<u>1,295,141</u>
Current assets					
Stocks	19	1,007,820		1,155,746	
Debtors	20	28,286,888		24,118,086	
Cash at bank and in hand		213,773		696,390	
		<u>29,508,481</u>		<u>25,970,222</u>	
Creditors: amounts falling due within one year	21	<u>(15,153,783)</u>		<u>(12,628,061)</u>	
Net current assets			14,354,698		13,342,161
Total assets less current liabilities			<u>15,023,323</u>		<u>14,637,302</u>
Capital and reserves					
Called up share capital	24		1,258,294		1,225,007
Share premium account	25		490,279		440,348
Revaluation reserve	25		-		327,866
Profit and loss reserves	25		13,274,750		12,644,081
Total equity			<u>15,023,323</u>		<u>14,637,302</u>

The financial statements were approved by the board of directors and authorised for issue on 20 October 2021 and are signed on its behalf by:

G Brown (Chairman)
Director

AGRICULTURAL CENTRAL TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2019		1,213,344	424,377	327,866	12,458,190	14,423,777
Year ended 30 June 2020:						
Profit and total comprehensive income for the year		-	-	-	212,459	212,459
Issue of share capital	24	11,663	15,971	-	-	27,634
Members' bonus - interest on shares	14	-	-	-	(26,568)	(26,568)
Balance at 30 June 2020		1,225,007	440,348	327,866	12,644,081	14,637,302
Year ended 30 June 2021:						
Profit and total comprehensive income for the year		-	-	-	330,082	330,082
Issue of share capital	24	33,287	49,931	-	-	83,218
Members' bonus - interest on shares	14	-	-	-	(27,279)	(27,279)
Transfers		-	-	(327,866)	327,866	-
Balance at 30 June 2021		1,258,294	490,279	-	13,274,750	15,023,323

AGRICULTURAL CENTRAL TRADING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(3,310,837)		3,123,437
Interest paid			(1,969)		(29,437)
Income taxes paid			(63,077)		(92,765)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(3,375,883)		3,001,235
Investing activities					
Purchase of tangible fixed assets		(265,010)		(255,459)	
Proceeds on disposal of tangible fixed assets		162,916		72,995	
Proceeds on disposal of investment property		460,000		-	
Interest received		39,496		84,117	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			397,402		(98,347)
Financing activities					
Proceeds from issue of shares		83,218		27,634	
Members' bonus - interest on shares paid		(26,568)		(26,658)	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			56,650		976
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(2,921,831)		2,903,864
Cash and cash equivalents at beginning of year			696,390		(2,207,474)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			(2,225,441)		696,390
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			213,773		696,390
Bank overdrafts included in creditors payable within one year			(2,439,214)		-
			<u> </u>		<u> </u>

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Agricultural Central Trading Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 28 Atcham Business Park, Atcham, Shrewsbury, Shropshire, United Kingdom, SY4 4UG.

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

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company has not prepared consolidated financial statements because, in the opinion of the directors, the inclusion of its only subsidiary is not material for the purposes of giving a true and fair view in the context of the group. The subsidiary is not trading, and its trade, assets and liabilities have all been hived up into the company. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The directors have prepared detailed cash flow projections and trading forecasts for the period to November 2022, which indicate that the company is able to continue to operate within its borrowing and terms of the facility comprising of a £5m overdraft facility which has been renewed during the year. The directors maintain a good working relationship with the company's bankers and expect the next renewal to be routine based on previous experience.

From the start of the UK nationwide lockdown due to COVID-19, the company has looked to operate a 'business as usual' approach, following all government guidance, as food production fell into the key worker category. The investment in IT infrastructure in recent years resulted in minimal disruption to sales support and Head Office functions. This allowed hybrid working throughout the pandemic with most staff retuning fully to the office post year end.

The company has reported net current assets of £14.4m (2020: £13.3m), providing a strong balance sheet at the year end. Timely payments to our suppliers have been maintained this has helped maintain our good working relationship with suppliers.

The business has continually assessed its cash position throughout the crisis and there has been sufficient headroom during the financial year. The business funding is via an overdraft facility with Barclays, and additional to these facilities, the company has stock lines to the value of £1.0 million that could be sold in short order, should the company need to realise cash, although this is deemed unlikely. The company also maintains a large sale ledger book under normal trading terms, which would unwind and generate cash inflows should the company see a reduction in sales levels.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

The company is more likely to be affected by increase in sales values either from increased volumes, commodity prices (or both) which require additional net working capital. The directors have prepared forecasts on reasonable expectations of both in assessing the working capital needs of the company and conclude they are sufficient, but acknowledge that both volumes and prices are influenced by external factors such as weather and market pricing of underlying commodities.

The expectation jointly of the board is that the current banking facilities are sufficient and will continue to be available to the business for the remainder of the current financial year and through to the end of 2022. Based on previous experience and indications from the bank the facilities are expected to be renewed at the annual review in March 2022. Commitment by the bank beyond that point is expected but will not be guaranteed until renewal.

Taking the above matters into consideration, the board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business and is shown net of Value Added Tax.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Intangible fixed assets - goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over five years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Software	10% to 33% straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Land and buildings freehold land	Not depreciated
Land and buildings leasehold improvements	Over the period of the lease
Plant and machinery	10% to 33% straight line
Motor vehicles	25% straight line

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

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.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting date. The surplus or deficit on revaluation is recognised in the income statement.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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. Allowances are made for obsolete and slow moving items.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank overdrafts, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. The members' bonus (interest on shares element) payable on equity instruments is recognised in liabilities once it is no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Useful economic lives of intangible assets

The annual amortisation charge is sensitive to any changes in the estimated useful life and residual values of the intangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation condition of the asset and future investments.

3 Change in accounting policies and accounting estimates

Amortisation policy

The company amended its amortisation policy to 7 year straight line for software. This decision was made in order to better align the useful life based on a planned replacement in two years time. This change in accounting estimate has been applied prospectively to those held within software.

The impact on annual amortisation charge for the year is an increased charge to the profit and loss by £66,090

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Goods supplied	104,836,804	101,723,230

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

4 Turnover and other revenue (Continued)

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	104,836,804	101,723,230

5 Members' bonus - trading element

Cost of sales includes £587,353 (2020 - £448,091) in respect of the trading element of the members' bonus.

6 Employees

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

	2021 Number	2020 Number
Number of administrative staff	96	100

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	3,473,389	3,579,336
Social security costs	412,771	436,879
Pension costs	220,765	222,254
	<u>4,106,925</u>	<u>4,238,469</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	336,561	338,520
Company pension contributions to defined contribution schemes	15,067	16,214
	<u>351,628</u>	<u>354,734</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

7 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	139,173	167,072
Company pension contributions to defined contribution schemes	8,004	10,431
	<u> </u>	<u> </u>

8 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	284,786	306,331
Profit on disposal of tangible fixed assets	(124,700)	(38,010)
Amortisation of intangible assets	118,524	52,434
Trade debtors provision	24,000	24,000
Operating lease charges	122,765	109,752
	<u> </u>	<u> </u>

9 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	38,900	37,100
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	4,875	4,775
All other non-audit services	4,650	4,450
	<u> </u>	<u> </u>
	<u>9,525</u>	<u>9,225</u>

10 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	-	983
Interest income on deferred trade debtors	86,543	150,411
Interest on overdue debtors	39,496	83,134
	<u> </u>	<u> </u>
	<u>126,039</u>	<u>234,528</u>

Interest income on deferred trade debtors is finance income calculated using the effective interest method from sales on deferred terms.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

11 Interest payable and similar expenses	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,969	29,437
	<u> </u>	<u> </u>
12 Other gains and losses	2021	2020
	£	£
Increase in fair value of investment property	10,000	-
	<u> </u>	<u> </u>
13 Taxation	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	100,041	61,402
Adjustments in respect of prior periods	1,675	105
	<u> </u>	<u> </u>
Total current tax	101,716	61,507
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(44,489)	(9,682)
Adjustment in respect of prior periods	919	430
	<u> </u>	<u> </u>
Total deferred tax	(43,570)	(9,252)
	<u> </u>	<u> </u>
Total tax charge	58,146	52,255
	<u> </u>	<u> </u>

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Taxation (Continued)

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

	2021 £	2020 £
Profit before taxation	388,228	264,714
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	73,763	50,296
Tax effect of expenses that are not deductible in determining taxable profit	2,505	2,921
Tax effect of income not taxable in determining taxable profit	(7,083)	(9,354)
Adjustments in respect of prior years	1,675	105
Deferred tax adjustments in respect of prior years	919	430
Adjust deferred tax to reconciliation rate	-	172
Other tax adjustments, reliefs and transfers	-	1,711
Fixed asset permanent differences	(13,294)	5,974
Chargeable gains	12,091	-
Remeasurement of deferred tax for changes in tax rates	(12,430)	-
Taxation charge for the year	58,146	52,255

14 Members' bonus interest on shares

Members' bonus - interest on shares proposed as at 30 June 2021 is £27,279 (2020 - £26,568).

15 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 July 2020 and 30 June 2021	514,898	286,334	801,232
Amortisation and impairment			
At 1 July 2020	483,459	113,663	597,122
Amortisation charged for the year	31,439	87,085	118,524
At 30 June 2021	514,898	200,748	715,646
Carrying amount			
At 30 June 2021	-	85,586	85,586
At 30 June 2020	31,439	172,671	204,110

In the statement of comprehensive income, amortisation is reflected wholly within administrative expenses.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Tangible fixed assets

	Land and buildings freehold land	Land and buildings leasehold improvements	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2020	7,676	289,342	888,670	1,060,702	2,246,390
Additions	-	8,800	23,656	232,554	265,010
Disposals	(7,676)	-	-	(237,345)	(245,021)
At 30 June 2021	-	298,142	912,326	1,055,911	2,266,379
Depreciation and impairment					
At 1 July 2020	-	269,679	706,198	629,582	1,605,459
Depreciation charged in the year	-	8,175	58,818	217,793	284,786
Eliminated in respect of disposals	-	-	-	(206,805)	(206,805)
At 30 June 2021	-	277,854	765,016	640,570	1,683,440
Carrying amount					
At 30 June 2021	-	20,288	147,310	415,341	582,939
At 30 June 2020	7,676	19,663	182,472	431,120	640,931

17 Investment property

	2021 £
Fair value	
At 1 July 2020	450,000
Disposals	(460,000)
Increase in fair value	10,000
At 30 June 2021	-

The investment property was valued on 25 June 2019 by Lambert Smith Hampton. The valuation is based on open market value and was prepared in accordance with RICS Valuation - Global Standards July 2017. The historical cost of the property is £172,631 (2020 - £172,631).

On 29 January 2021 the investment property was sold, realising net proceeds of £460,000.

18 Fixed asset investments

	2021 £	2020 £
Investments in subsidiaries	100	100

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Fixed asset investments (Continued)

Shares in group undertakings reflect the company's interest in the entire issued ordinary share capital of Wessex Animal Health Limited, a company incorporated in the United Kingdom and registered in England and Wales. The registered office of Wessex Animal Health Limited is 28 Atcham Business Park, Atcham, Shrewsbury, Shropshire, SY4 4UG.

The principal activity of Wessex Animal Health Limited was formerly that of an agricultural merchant, but the company's trade, assets and liabilities were hived up into Agricultural Central Trading Limited on 1 July 2016 and the entity no longer trades.

The aggregate capital and reserves of Wessex Animal Health Limited at 30 June 2021 were £100 (2020 - £100) and its result for the year then ended was £nil.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2020 & 30 June 2021	100
Carrying amount	
At 30 June 2021	100
At 30 June 2020	100

19 Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,007,820	1,155,746

20 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	27,432,386	23,984,868
Other debtors	-	4,395
Prepayments and accrued income	802,711	120,602
	28,235,097	24,109,865
Deferred tax asset (note 22)	51,791	8,221
	28,286,888	24,118,086

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

21 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank overdraft	2,439,214	-
Trade creditors	11,099,078	11,159,905
Amounts due to group undertakings	100	100
Corporation tax	100,041	61,402
Other taxation and social security	97,321	303,021
Members' bonus - interest	27,279	26,568
Members' bonus - trading	585,757	445,814
Accruals and deferred income	804,993	631,251
	<u>15,153,783</u>	<u>12,628,061</u>

The bank overdraft accrues interest at a rate of 1.65% per annum over the Bank of England Rate and is secured by a debenture giving a fixed and floating charge over the company and all its property and assets, whether present or future.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2021	Assets 2020
	£	£
Balances:		
Fixed asset timing differences	48,631	34,126
Investment property gains	-	(26,125)
Short-term timing differences	3,160	220
	<u>51,791</u>	<u>8,221</u>
		2021
		£
Asset at 1 July 2020		(8,221)
Credit to profit or loss		(43,570)
Asset at 30 June 2021		<u>(51,791)</u>

The deferred tax assets and liabilities relating to fixed asset and short-term timing differences set out above are expected substantially to reverse within the next twelve months.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

23 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	220,765	222,254

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The amounts included in the statement of financial position arising from the company's obligations in respect of defined contribution plans are £1,546 (2020 - £1,014).

24 Share capital

	2021	2020	2021	2020
Ordinary share capital Issued and fully paid	Number	Number	£	£
Ordinary shares of £1 each	1,258,294	1,225,007	1,258,294	1,225,007

The company has one class of ordinary shares with no right to fixed income.

During the year, 33,287 ordinary shares were issued at £2.50 per share (2020 - 11,663 ordinary shares were issued at £2.35/£2.50 per share). The total consideration received was £83,218 (2020 - £27,634).

25 Reserves

Profit and loss reserves

The profit and loss reserves reflect cumulative profit and losses net of distributions to members.

Share premium

Share premium reflects consideration for shares issued above their nominal value net of transaction costs.

Revaluation reserve

The revaluation reserve reflects cumulative revaluation gains and losses in respect of investment property.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

26 Cash (absorbed by)/generated from operations

	2021 £	2020 £
Profit for the year after tax	330,082	212,459
Adjustments for:		
Taxation charged	58,146	52,255
Finance costs	1,969	29,437
Interest receivable	(39,496)	(84,117)
Gain on disposal of tangible fixed assets	(124,700)	(38,010)
Amortisation and impairment of intangible assets	118,524	52,434
Depreciation and impairment of tangible fixed assets	284,786	306,331
Other gains and losses	(10,000)	-
Movements in working capital:		
Decrease in stocks	147,926	43,927
(Increase)/decrease in debtors	(4,125,232)	5,100,574
Increase/(decrease) in creditors	47,158	(2,551,853)
Cash (absorbed by)/generated from operations	<u><u>(3,310,837)</u></u>	<u><u>3,123,437</u></u>

27 Analysis of changes in net funds/(debt)

	1 July 2020 £	Cash flows £	30 June 2021 £
Cash at bank and in hand	696,390	(482,617)	213,773
Bank overdrafts	-	(2,439,214)	(2,439,214)
	<u>696,390</u>	<u>(2,921,831)</u>	<u>(2,225,441)</u>

28 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	74,925	89,800
Between one and five years	126,758	146,142
	<u>201,683</u>	<u>235,942</u>

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	596,905	647,701

30 Directors' transactions

No director had any contract with the company other than a) a director's service contract or b) for the purchase of requisites under terms identical to other customers.

The directors' aggregate purchases from Agricultural Central Trading Limited during the year totalled £927,264 (2020 - £802,246) excluding VAT. At the year end, the directors' aggregate balance outstanding to the company amounted to £258,809 (2020 - £248,740).

There were no other material transactions with related parties.

31 Co-operative status

The company continues to satisfy requirements of the Department for Environment, Food and Rural Affairs regarding the volume of sales to members.