

Registered number: 00713606

AGRICULTURAL CENTRAL TRADING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

AGRICULTURAL CENTRAL TRADING LIMITED

COMPANY INFORMATION

Directors

A J S Beaty
M G Corfield
I R Davey
S J Dutton
H M I Fellows
C J Grant
M A Nicklin

Company secretary

G Foster

Registered number

00713606

Registered office

Shrewsbury

Independent auditors

WR Partners
Chartered Accountants & Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

AGRICULTURAL CENTRAL TRADING LIMITED

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AGRICULTURAL CENTRAL TRADING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The directors present the strategic report for the year ended 30 June 2023.

Business review and key performance indicators

The turnover of the Company for the year amounted to £153.8m (2022 - £140.9m). This resulted in a profit before tax and members' bonus of £2,382,100 (2022 - £2,004,188) from which is deducted a bonus of £1,013,954 (2022 - £851,495) 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.

	2023	2022
Members' trading bonus	£8.75 per £1,000	£8.00 per £1,000
	of purchases	of purchases
Total members' trading bonus	1,013,954	851,495
Number of active members*	3,167	3,280

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

The bonus paid to members for the year to 30 June 2023 was calculated at a rate of £8.75 (2022 - £8.00) per £1,000 of their purchases from the company during the financial year plus 6% (2022 - 3%) p.a. interest on their shareholding at 30 June 2023, with a minimum payment of £25 (2022 - £25). A small number of members who own less than 40 (2022 - 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 £1,368,146 (2022 - £1,152,693) showing in the statement of comprehensive income is after the trading element of the bonus. The gross profit of £7,155,262 (2022 - £6,756,703) was 4.7% of revenue (2022 - 4.8%).

At 30 June 2023 total equity increased to £17.1m (2022 - £16.0m). The value of stock at 30 June 2023 was £1,276,503 (2022 - £1,632,771). The total value of debtors over 60 days old and with an account value of more than £2,000 at 30 June 2023 was £1.9m (2022 - £1.2m).

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 arable farmers.

The external environment

The business has continued to face unprecedented challenges throughout the current financial year.

High wholesale energy prices driven by worldwide events which continued until spring 2023 caused commodity prices to remain at a higher level than historical prices. This continued to cause volatility in purchasing and supply of a range of commodities supplied by Agricultural Central Trading Limited, particularly fertiliser and feed commodity prices.

The ongoing price inflation has meant that increases in the debtor book held by ACT have remained during this financial year. Previous slight deteriorations in supplier terms available to ACT also remain in place. Therefore, the business has maintained close control of the working capital available during the financial year. This has continued to impact the amount and length of credit the business has been able to extend to its members and customers seen during the last financial year.

AGRICULTURAL CENTRAL TRADING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

During the year the company has experienced increased borrowing costs which are expected to remain in place for the coming financial year. Prices are anticipated to fall slightly across some commodities but remain above historical levels. ACT, along with customers and members, continues to operate in a volatile environment and as such manages working capital closely. The trading bonus rate for the financial year increased by 9.4% and has been set by the directors at a level that rewards valued members who have supported the business during the year and allows the business to retain some profits within the business in order to maintain the required level of working capital.

The level of internal credit extended by the business will remain under tight control. The business has good relationships with external credit providers and therefore members requiring more credit than the business can provide have the option to access this through ACT's relationship with external providers.

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, the 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.

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:

- procured an upgraded ERP system.
- 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.

AGRICULTURAL CENTRAL TRADING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Directors' statement of compliance with duty to promote the success of the Company

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 increase the amount of profit retained by the business for the year ended 30 June 2023, was taken by the board to make working capital available to the business for the coming financial year.
- (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 75% of turnover during the year arose 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

Date: 18 October 2023

AGRICULTURAL CENTRAL TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

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.

Results and dividends

The profit for the year, after taxation, amounted to £1,078,186 (2022 - £946,023).

The Company declared dividends totalling £nil (2022 - £nil) during the year.

The results for the year are set out on page 12. Particulars of the members' bonus - interest on shares proposed - are detailed in note 5 to the financial statements.

AGRICULTURAL CENTRAL TRADING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Directors

The directors who served during the year were:

A J S Beaty
M G Corfield
I R Davey
S J Dutton
H M I Fellows
C J Grant
M A Nicklin

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.

Qualifying third party indemnity provisions

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

AGRICULTURAL CENTRAL TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Greenhouse gas emissions, energy consumption and energy efficiency action

	2023	2022
Energy consumption used to calculate emissions (gas, electricity, transport and other energy sources) (kWh)	1,326,754	1,365,790
Emissions from combustion of gas (tonnes of CO2 emitted)	4	4
Emissions from combustion of fuel for transport purposes (tonnes of CO2 emitted)	297	312
Emissions from purchased electricity (tonnes of CO2 emitted)	9	8
	310	324
Tonnes of CO2 emitted per £1m turnover	2.01	2.29

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 factor.

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 encourage staff to engage with customers using telephone and IT using video calling in order to reduce the emissions from transport. The company continues to rely on around 60% of the workforce working from home and visiting customers at their premises to conduct business and continued this traditional operating model of in-person visits to customers throughout the financial year.

The number of vehicles operated by the Company has increased this year due to a rise in the number of employees however employees are encouraged to consider the lowest carbon producing vehicle available that is suitable for their needs. We are pleased that the number of hybrid vehicles in the fleet has increased, now totaling eight. We are also pleased that two employees have selected fully electric vehicles during the financial year. In total electric and hybrid vehicles now make up 19% of the company's vehicle fleet; this increase has resulted in reduced emissions from transport, when compared to the previous year, despite the increase in vehicle numbers.

During the financial year the Company has made the cycle to work scheme available to employees. We are pleased that some employees have been able to make use of the scheme and we will continue to promote the scheme to employees to try and improve uptake.

AGRICULTURAL CENTRAL TRADING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Matters covered in the 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, WR Partners, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board

G Foster
Secretary

Date: 18 October 2023

AGRICULTURAL CENTRAL TRADING LIMITED

INDEPENDENT AUDITORS' 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 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 June 2023 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 United Kingdom, including the Financial Reporting Council'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.

AGRICULTURAL CENTRAL TRADING LIMITED

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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.

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.

AGRICULTURAL CENTRAL TRADING LIMITED

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

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 an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the Company are complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the 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 Auditors' report.

AGRICULTURAL CENTRAL TRADING LIMITED

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

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 Auditors' 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.

John Fletcher BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

20 October 2023

AGRICULTURAL CENTRAL TRADING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover	4	153,801,188	140,886,187
Cost of sales		(146,645,926)	(134,129,484)
Gross profit		7,155,262	6,756,703
Administrative expenses		(5,882,512)	(5,773,248)
Operating profit	5	1,272,750	983,455
Interest receivable and similar income	9	95,396	185,286
Interest payable and similar expenses	10	-	(16,048)
Profit before tax		1,368,146	1,152,693
Tax on profit	11	(289,960)	(206,670)
Profit for the financial year		1,078,186	946,023

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 18 to 34 form part of these financial statements.

AGRICULTURAL CENTRAL TRADING LIMITED
REGISTERED NUMBER: 00713606

BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	66,666	-
Tangible assets	13	922,204	728,174
Investments	14	100	100
		<u>988,970</u>	<u>728,274</u>
Current assets			
Stocks	15	1,276,503	1,632,771
Debtors: amounts falling due within one year	16	27,685,099	32,927,052
Cash at bank and in hand	17	620,671	223,517
		<u>29,582,273</u>	<u>34,783,340</u>
Creditors: amounts falling due within one year	18	(13,439,367)	(19,474,363)
Net current assets		<u>16,142,906</u>	<u>15,308,977</u>
Total assets less current liabilities		<u>17,131,876</u>	<u>16,037,251</u>
Provisions for liabilities			
Deferred tax	19	(57,437)	-
		<u>(57,437)</u>	<u>-</u>
Net assets		<u><u>17,074,439</u></u>	<u><u>16,037,251</u></u>

AGRICULTURAL CENTRAL TRADING LIMITED
REGISTERED NUMBER: 00713606

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital	20	1,296,622	1,293,236
Share premium account	21	556,497	551,413
Profit and loss account	21	15,221,320	14,192,602
		<u>17,074,439</u>	<u>16,037,251</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M G Corfield
Director

Date: 18 October 2023

The notes on pages 18 to 34 form part of these financial statements.

AGRICULTURAL CENTRAL TRADING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2021	1,258,294	490,279	13,274,750	15,023,323
Comprehensive income for the year				
Profit for the year	-	-	946,023	946,023
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	946,023	946,023
Contributions by and distributions to owners				
Shares issued during the year	34,942	61,134	-	96,076
Members' bonus - interest on shares	-	-	(28,171)	(28,171)
Total transactions with owners	34,942	61,134	(28,171)	67,905
At 1 July 2022	1,293,236	551,413	14,192,602	16,037,251
Comprehensive income for the year				
Profit for the year	-	-	1,078,186	1,078,186
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,078,186	1,078,186
Contributions by and distributions to owners				
Shares issued during the year	3,386	5,084	-	8,470
Members' bonus - interest on shares	-	-	(49,468)	(49,468)
Total transactions with owners	3,386	5,084	(49,468)	(40,998)
At 30 June 2023	1,296,622	556,497	15,221,320	17,074,439

The notes on pages 18 to 34 form part of these financial statements.

AGRICULTURAL CENTRAL TRADING LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Profit for the financial year	1,078,186	946,023
Adjustments for:		
Amortisation of intangible assets	8,334	85,586
Depreciation of tangible assets	296,697	283,681
Loss on disposal of tangible assets	(159,199)	(102,166)
Interest paid	-	16,048
Taxation charge	289,960	206,670
Decrease/(increase) in stocks	356,268	(624,951)
Decrease/(increase) in debtors	5,182,742	(4,632,744)
(Decrease)/increase in creditors	(2,583,372)	3,157,562
Corporation tax (paid)	(217,230)	(97,203)
Net cash generated from operating activities	4,252,386	(761,494)
Cash flows from investing activities		
Purchase of intangible fixed assets	(75,000)	-
Purchase of tangible fixed assets	(540,615)	(441,097)
Sale of tangible fixed assets	209,087	114,347
Net cash from investing activities	(406,528)	(326,750)

AGRICULTURAL CENTRAL TRADING LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
Cash flows from financing activities		
Issue of ordinary shares	8,470	96,076
Interest paid	-	(16,048)
Net cash used in financing activities	<u>8,470</u>	<u>80,028</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,854,328</u>	<u>(1,008,216)</u>
Cash and cash equivalents at beginning of year	<u>(3,233,657)</u>	<u>(2,225,441)</u>
Cash and cash equivalents at the end of year	<u><u>620,671</u></u>	<u><u>(3,233,657)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	620,671	223,517
Bank overdrafts	-	(3,457,174)
	<u>620,671</u>	<u>(3,233,657)</u>

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Agricultural Central Trading Limited (company number 00713606) is a private company, limited by shares, incorporated in England and Wales and domiciled in the United Kingdom. Its registered office and principal place of business is 28 Atcham Business Park, Atcham, Shrewsbury, Shropshire, SY4 4UG.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

2.3 Going concern

The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company is expected to operate within the levels of its current facilities.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

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

2.7 Finance costs

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

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

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

2.10 Current and deferred taxation

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

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

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

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

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

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	3	years
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2.12 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	Over the period of the lease
Plant and machinery	-	10% - 33% straight line
Motor vehicles	-	25% straight line

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

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

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

2.16 Cash and cash equivalents

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 Creditors

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

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.18 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. Judgments in applying accounting policies 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 the 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 estimates 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 life 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 useful lives or residual value. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, condition of the asset and future investments.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Members' bonus - trading element	1,013,954	851,495
Operating lease rentals	80,915	86,613
(Profit)/loss on disposal of fixed assets	(159,199)	(102,166)
	<u> </u>	<u> </u>

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2023	<i>2022</i>
	£	£
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	23,500	<i>41,200</i>
Fees payable to the Company's auditors and their associates in respect of:		
Taxation compliance services	2,750	<i>5,225</i>
All non-audit services not included above	2,950	<i>4,950</i>
	=====	=====

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	<i>2022</i>
	£	£
Wages and salaries	3,574,574	<i>3,649,711</i>
Social security costs	429,115	<i>496,502</i>
Cost of defined contribution scheme	423,527	<i>217,291</i>
	=====	=====
	4,427,216	<i>4,363,504</i>

The average monthly number of employees, including the directors, during the year was as follows:

	2023	<i>2022</i>
	No.	No.
Employees	94	<i>95</i>
	=====	=====

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. Directors' remuneration

	2023	<i>2022</i>
	£	£
Directors' emoluments	248,113	<i>235,613</i>
Company contributions to defined contribution pension schemes	26,592	<i>8,575</i>
	274,705	<i>244,188</i>

During the year retirement benefits were accruing to 1 director (*2022 - 1*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,642 (*2022 - £150,177*).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £26,592 (*2022 - £8,575*).

9. Interest receivable

	2023	<i>2022</i>
	£	£
Other interest receivable	95,396	<i>185,286</i>
	95,396	<i>185,286</i>

10. Interest payable and similar expenses

	2023	<i>2022</i>
	£	£
Bank interest payable	-	<i>16,048</i>
	-	<i>16,048</i>

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	173,010	216,928
Adjustments in respect of previous periods	302	(2,838)
	173,312	214,090
Total current tax	173,312	214,090
Deferred tax		
Origination and reversal of timing differences	116,648	(7,420)
Total deferred tax	116,648	(7,420)
Taxation on profit on ordinary activities	289,960	206,670

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK of 20.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	1,368,146	1,152,693
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022 - 19%)	280,470	219,012
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	1,708	-
Expenses not deductible for tax purposes	598	835
Adjustments to tax charge in respect of prior periods	302	(2,838)
Non-taxable income	-	(5,352)
Book profit on chargeable assets	(32,636)	-
Differences in tax rates	49,659	(1,781)
Other differences leading to an increase (decrease) in the tax charge	(10,141)	(3,206)
Total tax charge for the year	289,960	206,670

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 July 2022	286,334	514,898	801,232
Additions	75,000	-	75,000
At 30 June 2023	<u>361,334</u>	<u>514,898</u>	<u>876,232</u>
Amortisation			
At 1 July 2022	286,334	514,898	801,232
Charge for the year on owned assets	8,334	-	8,334
At 30 June 2023	<u>294,668</u>	<u>514,898</u>	<u>809,566</u>
Net book value			
At 30 June 2023	<u><u>66,666</u></u>	<u><u>-</u></u>	<u><u>66,666</u></u>
At 30 June 2022	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 2022	298,142	914,169	1,209,020	2,421,331
Additions	2,868	173,011	364,736	540,615
Disposals	-	(110,640)	(292,808)	(403,448)
At 30 June 2023	<u>301,010</u>	<u>976,540</u>	<u>1,280,948</u>	<u>2,558,498</u>
Depreciation				
At 1 July 2022	284,652	815,015	593,490	1,693,157
Charge for the year on owned assets	5,785	50,137	240,775	296,697
Disposals	-	(110,640)	(242,920)	(353,560)
At 30 June 2023	<u>290,437</u>	<u>754,512</u>	<u>591,345</u>	<u>1,636,294</u>
Net book value				
At 30 June 2023	<u>10,573</u>	<u>222,028</u>	<u>689,603</u>	<u>922,204</u>
At 30 June 2022	<u>13,490</u>	<u>99,154</u>	<u>615,530</u>	<u>728,174</u>

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2022	100
At 30 June 2023	<u>100</u>

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Wessex Animal Health Limited	28 Atcham Business Park, Atcham, Shrewsbury, Shropshire, SY4 4UG	Ordinary	100%

Wessex Animal Health Limited is a dormant company with aggregate capital and reserves of £100 (2022: £100) and is therefore not consolidated into these financial statements.

15. Stocks

	2023	2022
	£	£
Finished goods and goods for resale	1,276,503	1,632,771
	<u>1,276,503</u>	<u>1,632,771</u>

16. Debtors

	2023	2022
	£	£
Trade debtors	27,150,939	32,309,133
Prepayments and accrued income	534,160	558,708
Deferred taxation	-	59,211
	<u>27,685,099</u>	<u>32,927,052</u>

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

17. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	620,671	223,517
Less: bank overdrafts	-	(3,457,174)
	620,671	(3,233,657)

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	-	3,457,174
Trade creditors	10,740,907	13,791,679
Amounts owed to group undertakings	100	100
Members' bonus - trading element	1,044,421	848,661
Members' bonus - interest	49,468	28,171
Corporation tax	173,010	216,928
Other taxation and social security	374,938	196,499
Other creditors	24,242	-
Accruals and deferred income	1,032,281	935,151
	13,439,367	19,474,363

The bank overdraft accrues interest at a rate of 1.8% 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.

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

19. Deferred taxation

	2023
	£
At beginning of year	59,211
Charged to profit or loss	(116,648)
At end of year	(57,437)

The deferred taxation balance is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	(51,376)	56,515
Short term timing differences	(6,061)	2,696
	(57,437)	59,211

20. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
1,296,622 (2022 - 1,293,236) Ordinary shares of £1.00 each	1,296,622	1,293,236

During the year the company issued 3,386 ordinary £1 shares for £8,470.

AGRICULTURAL CENTRAL TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

21. Reserves

Share premium account

The share premium account comprises the cumulative difference between the price paid for shares and their nominal value.

Profit and loss account

The profit and loss account comprises the cumulative retained earnings of the Company since incorporation after any distributions.

22. Analysis of net debt

	At 1 July 2022 £	Cash flows £	At 30 June 2023 £
Cash at bank and in hand	223,517	397,154	620,671
Bank overdrafts	(3,457,174)	3,457,174	-
	-	-	-
	<u>(3,233,657)</u>	<u>3,854,328</u>	<u>620,671</u>

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £423,527 (2022: £217,291). Contributions totalling £24,242 (2022: £nil) were payable to the fund at the balance sheet date and are included in creditors.

AGRICULTURAL CENTRAL TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	78,320	58,400
Later than 1 year and not later than 5 years	82,532	68,358
	<u>160,852</u>	<u>126,758</u>

25. Related party transactions

During the year the key management personnel of the Company (which include the directors) received aggregate compensation of £501,545 (2022: £695,558).

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 the company during the year totalled £1,456,565 (2022: £1,442,160) excluding VAT. At the year end, the directors' aggregate balance outstanding to the company amounted to £257,091 (2022: 240,363).

There were no other material transactions with related parties.

26. 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.