

Company registration number 00696016 (England and Wales)

**CHERWELL VALLEY SILOS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

# CHERWELL VALLEY SILOS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	A P Cherry G J Nicholls K J Matthews
<b>Secretary</b>	K J Matthews
<b>Company number</b>	00696016
<b>Registered office</b>	Twyford Banbury Oxfordshire United Kingdom OX17 3AA
<b>Auditor</b>	Ellacotts Audit Services Limited Countrywide House 23 West Bar Banbury Oxfordshire England OX16 9SA
<b>Bankers</b>	National Westminster Bank Plc 1 Town Hall Buildings Bridge Street Banbury Oxfordshire OX16 5JS

---

# CHERWELL VALLEY SILOS LIMITED

## CONTENTS

---

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 25

---

# CHERWELL VALLEY SILOS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

---

The directors present the strategic report for the year ended 30 June 2022.

### **Principal activities, business review and risks**

The principal activities of the Company are the processing and sale of cooked oilseed products, and grain trading.

In March 2022, a restructuring and capital reduction demerger was completed. The Company's commercial property was transferred to Cherwell Valley Business Park Limited.

The Company had a better trading performance compared to the last financial year and shows an operating profit of £566k compared to an operating profit of £306k in the previous year.

The Company is in a strong financial position and retains support from its bankers.

The Board of Directors regularly reviews the Company's exposure to various risks and uncertainties inherent within the business. The principal risks and uncertainties faced by the Company are movement in commodity prices and changes in the bank Base Rate.

The Company reduces the commodity price movement risk by hedging on the futures markets. It is also exposed to some interest rate risk on its non-fixed bank facilities, which are regularly reviewed by the Board of Directors. 'Liquidity' risk is managed by maintaining a balance between the continuity and flexibility of funding through the Company's loan and invoice discounting facilities, which ensures that there are sufficient funds for ongoing operations. The Company minimises its exposure to credit risk by ensuring its debtors are well managed.

The Company is optimistic for ongoing success in the future, and continues to focus on developing its property assets, growth of its core business and tight control of operational costs.

By order of the board

K J Matthews  
**Secretary**

24 February 2023

# CHERWELL VALLEY SILOS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

---

The directors present their annual report and financial statements for the year ended 30 June 2022.

### Directors

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

A P Cherry  
G J Nicholls  
K J Matthews

### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid.

### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### Auditor

Ellacotts Audit Services Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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;
- 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.

# **CHERWELL VALLEY SILOS LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022**

---

### **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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

K J Matthews  
**Secretary**

24 February 2023

# CHERWELL VALLEY SILOS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHERWELL VALLEY SILOS LIMITED

---

### Opinion

We have audited the financial statements of Cherwell Valley Silos Limited (the 'company') for the year ended 30 June 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 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 2022 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 *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.

# CHERWELL VALLEY SILOS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHERWELL VALLEY SILOS LIMITED

---

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 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, 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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also performed the following procedures:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.



## **CHERWELL VALLEY SILOS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHERWELL VALLEY SILOS LIMITED**

---

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

**Charlotte Toemaes BSc FCA (Senior Statutory Auditor)**

**For and on behalf of Ellacotts Audit Services Limited**

**Chartered Accountants & Statutory Auditor**

Countrywide House

23 West Bar

Banbury

Oxfordshire

England

OX16 9SA

24 February 2023

# CHERWELL VALLEY SILOS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	25,472,037	21,560,527
Cost of sales		(23,530,471)	(20,015,250)
<b>Gross profit</b>		1,941,566	1,545,277
Administrative expenses		(1,375,639)	(1,239,324)
<b>Operating profit</b>	<b>4</b>	565,927	305,953
Interest receivable and similar income	<b>7</b>	242	34
Interest payable and similar expenses	<b>8</b>	(59,314)	(69,880)
<b>Profit before taxation</b>		506,855	236,107
Tax on profit	<b>9</b>	(138,633)	(76,852)
<b>Profit for the financial year</b>		368,222	159,255

# CHERWELL VALLEY SILOS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

---

	2022 £	2021 £
<b>Profit for the year</b>	368,222	159,255
<b>Other comprehensive income</b>		
Cash flow hedges gain arising in the year	267,430	30,013
<b>Total comprehensive income for the year</b>	<u>635,652</u>	<u>189,268</u>

# CHERWELL VALLEY SILOS LIMITED

## BALANCE SHEET AS AT 30 JUNE 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	266,524		5,076,944	
Investments	11	200		200	
		<u>266,724</u>		<u>5,077,144</u>	
<b>Current assets</b>					
Stocks	14	977,289		614,917	
Debtors	15	5,497,289		2,100,813	
Cash at bank and in hand		1,399,697		931,037	
		<u>7,874,275</u>		<u>3,646,767</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,900,508)</u>		<u>(3,169,251)</u>	
<b>Net current assets</b>		<u>4,973,767</u>		<u>477,516</u>	
<b>Total assets less current liabilities</b>		<u>5,240,491</u>		<u>5,554,660</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(367,050)		(1,327,195)	
<b>Provisions for liabilities</b>					
Deferred tax liability	21	28,062		17,738	
		<u>(28,062)</u>		<u>(17,738)</u>	
<b>Net assets</b>		<u>4,845,379</u>		<u>4,209,727</u>	
<b>Capital and reserves</b>					
Called up share capital	23	25,000		25,000	
Revaluation reserve		-		142,650	
Hedging reserve		272,614		5,184	
Profit and loss reserves		4,547,765		4,036,893	
<b>Total equity</b>		<u>4,845,379</u>		<u>4,209,727</u>	

The financial statements were approved by the board of directors and authorised for issue on 24 February 2023 and are signed on its behalf by:

A P Cherry  
Director

Company Registration No. 00696016

# CHERWELL VALLEY SILOS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 July 2020</b>	25,000	142,650	(24,829)	3,877,638	4,020,459
<b>Year ended 30 June 2021:</b>					
Profit for the year	-	-	-	159,255	159,255
Other comprehensive income:					
Cash flow hedges gains	-	-	30,013	-	30,013
Total comprehensive income for the year	-	-	30,013	159,255	189,268
<b>Balance at 30 June 2021</b>	25,000	142,650	5,184	4,036,893	4,209,727
<b>Year ended 30 June 2022:</b>					
Profit for the year	-	-	-	368,222	368,222
Other comprehensive income:					
Cash flow hedges gains	-	-	267,430	-	267,430
Total comprehensive income for the year	-	-	267,430	368,222	635,652
Transfer on disposal of property	-	(142,650)	-	142,650	-
<b>Balance at 30 June 2022</b>	25,000	-	272,614	4,547,765	4,845,379

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

---

### 1 Accounting policies

#### Company information

Cherwell Valley Silos Limited is a private company limited by shares incorporated in England and Wales. The registered office is Twyford, Banbury, Oxfordshire, United Kingdom, OX17 3AA.

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The principal accounting policies adopted are set out below.

This is in accordance with applicable accounting standards as defined in Companies Act 2006.

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 Company's business activities, together with the factors likely to affect its future developments and performance and the principal risks and uncertainties faced by it, are set out in the Strategic report on page 1 of the financial statements.

#### Consolidation

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;

The financial statements of the company are consolidated in the financial statements of K J Cherry group. These consolidated financial statements are available from its registered office, Twyford, Banbury, OX17 3AA.

#### 1.2 Going concern

The Company meets its day to day working capital requirements through an overdraft and invoice discounting facility provided by NatWest / RBS, who have been the Company's bankers for many years and with whom the Company has a solid and close working relationship.

The Directors therefore believe that the Company has sufficient resources to continue its various operations and, as a result, the Directors continue to adopt the 'going concern' basis of accounting in preparing the annual financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

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

Individual freehold property is revalued on a regular basis with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	- 4% straight line on buildings and nil on land
Plant and machinery	- 10% to 20% straight line
Fixtures, fittings & equipment	- 10% to 20% straight line
Motor vehicles	- 15% to 20% straight line

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.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### **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.

#### **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**

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### ***Hedge accounting***

The company has entered into futures contracts to manage its exposure to commodity price changes in relation to forward contract commodities. These derivatives are measured at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in Other Comprehensive Income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in the Profit and Loss Account for the period.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

---

### 1 Accounting policies

(Continued)

#### 1.13 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

The company operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit and loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit and 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.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 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.

#### Critical judgements

##### *Inventory*

Inventory levels and values are constantly reviewed and should there be an indication of impairment or obsolescence, the inventory is written down to its assessed net realisable value.

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 3 Turnover and other revenue

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

	2022	2021
	£	£
<b>Turnover</b>		
Commodities Division	15,967,584	11,619,907
Property Division	413,398	900,653
Wholesale of Agricultural products	22,704,691	17,812,155
Interdivisional Sales	(13,613,636)	(8,772,188)
	<u>25,472,037</u>	<u>21,560,527</u>

In the opinion of the directors, less than 1% of the turnover is attributable to markets outside the UK.

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	10,500
Depreciation of owned tangible fixed assets	135,556	225,506
Depreciation of tangible fixed assets held under finance leases	10,177	29,454
Loss/(profit) on disposal of tangible fixed assets	1,389	(71)
Operating lease charges	8,337	8,745
	<u>166,059</u>	<u>274,230</u>

### 5 Employees

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

	2022	2021
	Number	Number
Number of production staff	9	10
Number of admin staff (including directors)	16	16
Total	<u>25</u>	<u>26</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	791,090	673,197
Social security costs	56,968	44,530
Pension costs	30,276	29,119
	<u>878,334</u>	<u>746,846</u>

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 5 Employees (Continued)

The key management personnel of the company comprise the directors as listed on page 2. The total amount of employee benefits received by key management personnel for their services to the company was £210,429 (2021: £194,907).

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	182,822	167,900
Company pension contributions to defined contribution schemes	19,989	19,933
	<u>202,811</u>	<u>187,833</u>

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

	2022 £	2021 £
Remuneration for qualifying services	91,650	-
Company pension contributions to defined contribution schemes	12,103	-
	<u>103,753</u>	<u>-</u>

As total directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for that year.

### 7 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	242	34
	<u>242</u>	<u>34</u>

### 8 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	56,445	67,209
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	2,869	2,671
	<u>59,314</u>	<u>69,880</u>

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	129,789	85,316
Adjustments in respect of prior periods	(1,480)	(701)
Total current tax	<u>128,309</u>	<u>84,615</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	10,324	(7,763)
Total tax charge	<u>138,633</u>	<u>76,852</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>506,855</u>	<u>236,107</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	96,302	44,860
Tax effect of expenses that are not deductible in determining taxable profit	16,237	-
Tax effect of income not taxable in determining taxable profit	-	(666)
Adjustments in respect of prior years	(1,480)	(701)
Group relief	-	(2,093)
Depreciation in excess of capital allowances	17,250	43,215
Deferred tax adjustments	10,324	(7,763)
Tax expense for the year	<u>138,633</u>	<u>76,852</u>

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 10 Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 July 2021	6,123,656	2,016,819	218,699	384,237	8,743,411
Additions	25,278	10,448	-	101,710	137,436
Disposals	(5,825,103)	(146,792)	-	(115,140)	(6,087,035)
Transfers to parent company	(64,759)	-	-	-	(64,759)
At 30 June 2022	259,072	1,880,475	218,699	370,807	2,729,053
<b>Depreciation and impairment</b>					
At 1 July 2021	1,195,859	1,986,302	208,178	276,087	3,666,426
Depreciation charged in the year	151,943	10,703	4,068	30,217	196,931
Eliminated in respect of disposals	(1,184,759)	(146,248)	-	(63,420)	(1,394,427)
Transfers to parent company	(6,401)	-	-	-	(6,401)
At 30 June 2022	156,642	1,850,757	212,246	242,884	2,462,529
<b>Carrying amount</b>					
At 30 June 2022	102,430	29,718	6,453	127,923	266,524
At 30 June 2021	4,927,797	30,516	10,519	108,112	5,076,944

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	115,144	91,695

If revalued assets were stated on a historical basis rather than a fair value basis, the total amounts included would have been as follows:

	2022 £	2021 £
Cost	-	6,805,808
Accumulated depreciation	-	(2,400,400)
Carrying value	-	4,405,408

Included within Freehold land and buildings is £nil (2021: £1,810,000) of land that is not depreciated.

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	12	200	200

### 12 Subsidiaries

These financial statements are separate company financial statements for Cherwell Valley Silos Limited.

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Cherwell Valley International Limited	England	Dormant	100.00	
Plustotal Limited	England	Dormant	100.00	

### 13 Financial instruments

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	272,614	5,184

### 14 Stocks

	2022 £	2021 £
Raw materials and consumables	529,054	217,747
Finished goods and goods for resale	448,235	397,170
	977,289	614,917

### 15 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,404,027	1,540,417
Amounts owed by group undertakings	10,709	34,529
Derivative financial instruments	272,614	5,184
Other debtors	3,472,132	36,318
Prepayments and accrued income	337,807	484,365
	5,497,289	2,100,813

The trade debtors are subject to an invoice discounting agreement.



# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 16 Derivative financial instruments

The company enters into forward contracts to buy or sell commodities. The company hedges against commodity price exposure by trading in commodity futures.

The forward contracts and related hedging instruments are due to complete between July 2022 and June 2023.

Where commodity futures are traded in Euros the company also purchases Euros to hedge against the movement in exchange rates.

The amount £267,430 has been recognised in other comprehensive income for the year as the movement in the current year.

The net position at the year end was an asset of £272,614 (2021: £5,184).

### 17 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	19	284,685	765,087
Obligations under finance leases	20	25,802	23,491
Trade creditors		1,839,258	1,671,249
Corporation tax		129,789	85,316
Other taxation and social security		22,320	57,064
Other creditors		35,551	17,439
Accruals and deferred income		563,103	549,605
		<u>2,900,508</u>	<u>3,169,251</u>

The bank overdraft and loans are secured by a mortgage debenture over certain assets of the company.

Hire purchase obligations are secured against the relevant tangible fixed assets.

The invoice discounting creditor is secured by way of a fixed and floating charge over the debtors of Cherwell Valley Silos Limited. The invoice discounting creditor is guaranteed by K J Cherry and Sons Ltd, the parent company.

### 18 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	19	341,667	1,316,629
Obligations under finance leases	20	25,383	10,566
		<u>367,050</u>	<u>1,327,195</u>

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

### 19 Loans and overdrafts

	2022 £	2021 £
Bank loans	441,667	1,457,888
Bank overdrafts	184,685	623,828
	<u>626,352</u>	<u>2,081,716</u>
Payable within one year	284,685	765,087
Payable after one year	<u>341,667</u>	<u>1,316,629</u>

The bank loans are secured by a mortgage debenture over certain assets of the company.

### 20 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	25,802	23,492
In two to five years	25,383	10,565
	<u>51,185</u>	<u>34,057</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 21 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:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated Capital Allowances	<u>28,062</u>	<u>17,738</u>
<b>Movements in the year:</b>		2022 £
Liability at 1 July 2021		17,738
Charge to profit or loss		<u>10,324</u>
Liability at 30 June 2022		<u>28,062</u>

# CHERWELL VALLEY SILOS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

<b>22 Retirement benefit schemes</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	30,276	29,119
	<u>          </u>	<u>          </u>
<b>23 Share capital</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
25,000 Ordinary Shares of £1 each	25,000	25,000
	<u>          </u>	<u>          </u>

### 24 Operating lease commitments

#### Lessee

The operating leases represent leases to third parties. The leases are negotiated over terms of 1-4 years and rentals are fixed for 1-4 years. There are no options in place for either party to extend the lease terms.

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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	13,770	13,770
Between two and five years	10,958	24,729
	<u>          </u>	<u>          </u>
	<u>24,728</u>	<u>38,499</u>

### 25 Related party transactions

#### Transactions with related parties

During the year, Cherwell Valley Silos Limited received income of £282,649 and recorded expenses of £133,204 on behalf of related entity Cherwell Valley Business Park Limited.

On 18 March 2022, Freehold land & buildings with a net book value of £4,640,344 were transferred to Cherwell Valley Business Park Limited.

As at 30 June 2022 Cherwell Valley Silos Limited was owed £3,463,560 by Cherwell Valley Business Park Limited.

The company has taken advantage of the exemption available under FRS 102 from disclosing transactions with the KJ Cherry & Sons Holdings Limited group of companies on the basis that all subsidiaries are wholly owned.

## CHERWELL VALLEY SILOS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

---

#### **26 Controlling party**

The company's immediate parent undertaking is K J Cherry and Sons Limited (incorporated in England & Wales).

The company's ultimate parent undertaking is K J Cherry Holdings Limited, a limited company, whose registered office is Twyford, Banbury, Oxfordshire, OX17 3AA.

Copies of the consolidated financial statements may be obtained from their head office in Twyford, Banbury.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.