

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

FOR

STOURGARDEN LIMITED

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FOR THE YEAR ENDED 31 JULY 2021

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STOURGARDEN LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2021

DIRECTORS:

W H Rix
J G Rix
G P Rix
S J Rix

SECRETARY:

J L Litherland

REGISTERED OFFICE:

Lodge Farm
Great Horkesley
Colchester
Essex
CO6 4AP

REGISTERED NUMBER:

03031052 (England and Wales)

AUDITORS:

Richard Sexton & Co
Chartered Accountants and Statutory Auditors
3 Manor Road
Colchester
Essex
CO3 3LU

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2021

The directors present their strategic report of the company and the group for the year ended 31 July 2021.

REVIEW OF BUSINESS

The group has continued to grow and operate profitably throughout the year under review in spite of ongoing challenges related to COVID-19. Turnover increased by 7.3% from the previous year to £50,054,001, and the gross margin obtained improved as well, resulting in an increase of gross profits to £6,146,433 (12.3% of turnover), compared with £5,472,987 (11.7% of turnover) in the corresponding period last year.

Net operating costs saw a 4.87% decrease to £4,382,921 (from £4,607,183), and overall this has resulted in an increase of net profit before tax to £1,855,254 (3.71% of turnover) compared with £964,309 (2.07% of turnover) in 2020.

Post tax profits of £1,505,707 have all been transferred to reserves, thus increasing the Shareholders' Funds from £12,126,366 to £13,632,073. This continues to represent a very healthy position from which the group can continue to grow and trade profitably.

During the year the group has invested a further £602,989 in tangible fixed assets. This reflects the aim of the directors to continually look to expand and modernise in order to maintain the market position of the group. Despite this cash funds of £3,868,464 continue to provide sufficient resources for ongoing trading purposes and to fund ongoing anticipated capital expenditure.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are aware of the risks and uncertainties inherent in the current economic climate and are constantly striving to mitigate these with a detailed and far reaching business plan. They are aware that more than 50% of turnover is derived from one major customer but strive to ensure that the company is not unduly dependent upon that source of income by developing other potential markets, and this policy has proved highly successful in recent years with the introduction of new customers and product lines.

Health and safety, and environmental considerations are also taken very seriously and are reviewed internally and externally on a regular basis.

SECTION 172(1) STATEMENT

The Board of directors are aware of their duty under Section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

As a family owned company, the Board gives careful consideration to the consequences of any decision in the long term, focusing on flexibility to meet the ever changing consumer need. Particular recognition is also given to the need to act fairly between members of the company.

The interests of the company's employees and the need to foster the company's business relationships with suppliers, customers and others is also prioritised, with continual engagement with wider stakeholder groups forming part of the day to day operations.

Continual re-investment into the most up to date technology ensures that the growth of the business is undertaken in a sustainable manner, with a positive impact from the company's operations on the community and the environment.

The company's ongoing success has come from the Board's desire to maintain a reputation for high standards of business conduct, and this ethos continues to inform all operational decisions.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2021

STAFF POLICY

Although all four directors are male, the company employs approximately an equal number of male and female staff at all levels, and endeavours to ensure that there is no discrimination on grounds of gender, race or disability.

ON BEHALF OF THE BOARD:

J L Litherland - Secretary

30 March 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 July 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of pre-packaging and sale of onions

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2020 to the date of this report.

W H Rix

J G Rix

G P Rix

S J Rix

FINANCIAL INSTRUMENTS

The company considers itself to have a normal level of exposure to price, credit, liquidity and cash flow risks arising from operating activities.

DISABLED EMPLOYEES

The directors recognise their responsibilities toward giving full and fair consideration to applications for employment to the company made by disabled persons, having regard to their particular aptitudes and abilities.

No discrimination is made in terms of training, careers development and promotion of disabled persons employed by the company.

If employees become disabled, every effort is made for continuing their employment, and for arranging appropriate training.

ENGAGEMENT WITH EMPLOYEES

The directors maintain constant communication with their employees regarding all matters affecting their interests. Regular updates on factors affecting the performance of the company are provided, and feedback encouraged so that employees views can be taken into account. Principal decisions taken during the year considered employee engagement, welfare and performance.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors are conscious of the need to foster positive business relationships with suppliers, customers and others to promote the success of the business as a whole. The company has a dedicated grower group, and works hard to source suitable onion growers around the world; building long lasting relationships. Principal decisions made during the year are made with a focus on flexibility, and the company is well placed to meet the ever changing needs of their customers.

STREAMLINED ENERGY AND CARBON REPORTING

Summary

Total emissions for the year were 915 tonnes of carbon dioxide equivalents (tCO₂e) based on a verified usage of 4,179,453 kilowatt-hours (kWh) of energy. Emissions have reduced by 7.7% from the 19/20 baseline reporting year.

The organisation has undertaken 3 energy efficiency actions (EEA) in this reporting year and the intensity ratio has decreased from 39.22 to 31.76 kWh/tonne when compared to the previous reporting year.

Methodology

This report has been compiled in line with the "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019".

Boundary

A Financial Control Boundary has been chosen for reporting on Green House Gases (GHGs).

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2021**

A financial boundary has been chosen to align with the rest of the Director Financial Report.

All sites and companies in the UK have been included in the reporting, even if they do not qualify in their own right.

Reporting Period

This report covers emissions from the period 01 Aug 2020 to 31 Jul 2021. This reporting period has been chosen to match the organisations financial reporting year.

Environmental Impacts

Only environmental impacts from greenhouse gases (GHG) are included in this report/section.

Environmental impacts from waste, water, resource efficiency, ecosystem interaction and none GHG emission are considered separately and are outside the scope of this report.

The report has been limited to scope 1 and scope 2 emissions with scope 3 emissions for grey fleet travel as required by SECR reporting.

Greenhouse Gas Emissions

Table 1 below shows the GHG emissions for Stourgarden in tonnes of carbon dioxide equivalent for the base year of 19/20 and the current reporting year. Total emissions for 20/21 are 915 tonnes of carbon dioxide equivalent. This is 7.7% below the 19/20 baseline year.

The general definitions of the GHG Scopes are detailed below:

Scope 1 - All Direct Emissions from the activities of an organisation or under their control. Including combustion of fuel on site such as gas boilers, purchased fuel for vehicles and air-conditioning leaks.

Scope 2 - Indirect Emissions from electricity purchased and used by the organisation.

Scope 3 - All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. Only Grey Fleet/employee car mileage claims need including for SECR.

	Emission Source	Units	Baseline 19/20	Report Year 20/21
Scope 1	Gaseous Fuel	Emissions (tCO ₂ e)	43.8	65.6
	Delivery Vehicles	Emissions (tCO ₂ e)	207.6	290.8
	Sub Total	Emissions (tCO ₂ e)	272.4	375.8
Scope 2	Grid Electricity	Emissions (tCO ₂ e)	715.4	536.3
	Sub Total	Emissions (tCO ₂ e)	715.4	536.3
Scope 3	Grey Fleet	Emissions (tCO ₂ e)	4.3	3.1
	Sub Total	Emissions (tCO ₂ e)	4.3	3.1
	TOTAL EMISSIONS	Emissions (tCO ₂ e)	992	915.2
	Variance	%		-7.7%

Table 1: Greenhouse Gas Emission (GHG)

Underlying Energy Use

Table 2 below shows the energy use for Stourgarden in kilowatt hours (kWh) for the base year of 19/20 and the current reporting year. Total energy used for 20/21 was 4,179,453 kWh. This is 2.6% below the 19/20 baseline year.

	Emission Source	Units	Baseline 19/20	Report Year 20/21
Scope 1	Gaseous Fuel	Energy (kWh)	204,334	305,810
	Delivery Vehicles	Energy (kWh)	863,127	1,208,751
	Sub Total	Energy (kWh)	1,155,131	1,595,332
Scope 2	Grid Electricity	Energy (kWh)	3,068,455	2,525,883
	Renewable Energy	Energy (kWh)	51,151	45,671
	Sub Total	Energy (kWh)	3,119,616	2,571,554
Scope 3	Grey Fleet	Energy (kWh)	17,215	12,567

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2021**

Sub Total	Energy (kWh)	17,215	12,567
TOTAL ENERGY	Energy (kWh)	4,291,961	4,179,453
Variance	%		-2.6%

Table 2: Underlying Energy Use

Intensity Ratios

The tables below show the intensity ratios for the organisation.

Type	Units	Baseline 19/20	Report Year 20/21
Production	kWh/tonne	39.2	31.8

Table 3: Energy Consumption Intensity Ratios

Type	Units	Baseline 19/20	Report Year 20/21
Production	kgCO2e/tonne	9.1	7.0

Table 4: Emissions Intensity Ratios

Energy Efficiency Actions Taken

During the reporting year 2020/21 three energy efficiency action were taken:

Category	Title	Description
Other	Solar Panels	Installation of a new solar PV array on the factory roof.
Lighting	LED Upgrades	Upgrade of factory lights to new more efficient LEDs
Other	Electric Forklift Trucks	Purchase of electric forklifts to replace older LPG forklifts

Table 5: Energy Efficiency Actions Taken

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

J L Litherland - Secretary

30 March 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STOURGARDEN LIMITED

Opinion

We have audited the financial statements of Stourgarden Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 July 2021 and of the group's 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 group 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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STOURGARDEN LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STOURGARDEN LIMITED

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team had the appropriate skills and competencies to identify and recognise non-compliance with applicable laws and regulations;
- laws and regulations applicable to the company were identified through discussions with directors and as well as our wider understanding of the agricultural sector; and
- we assessed the extent of compliance with the laws and regulations identified through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including an understanding of how fraud might occur, by:

- making enquiries of management where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risks of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisers.

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 may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
STOURGARDEN LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Hamilton (Senior Statutory Auditor)
for and on behalf of Richard Sexton & Co
Chartered Accountants and Statutory Auditors
3 Manor Road
Colchester
Essex
CO3 3LU

30 March 2022

CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

		Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Notes			
TURNOVER		50,054,001	46,660,941
Cost of sales		<u>43,907,568</u>	<u>41,187,954</u>
GROSS PROFIT		6,146,433	5,472,987
Administrative expenses		<u>4,382,922</u> 1,763,511	<u>4,607,182</u> 865,805
Other operating income		<u>90,413</u>	<u>90,413</u>
OPERATING PROFIT	5	1,853,924	956,218
Interest receivable and similar income		<u>1,330</u>	<u>8,091</u>
PROFIT BEFORE TAXATION		1,855,254	964,309
Tax on profit	6	<u>349,547</u>	<u>189,340</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,505,707</u>	<u>774,969</u>
Profit attributable to: Owners of the parent		<u>1,505,707</u>	<u>774,969</u>

The notes form part of these financial statements

CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

	Notes	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
PROFIT FOR THE YEAR		1,505,707	774,969
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,505,707</u>	<u>774,969</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,505,707</u>	<u>774,969</u>

The notes form part of these financial statements

STOURGARDEN LIMITED (REGISTERED NUMBER: 03031052)**CONSOLIDATED BALANCE SHEET**
31 JULY 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	8		5,712,716		6,368,560
Investments	9		100		100
Investment property	10		<u>1,982,335</u>		<u>1,982,335</u>
			7,695,151		8,350,995
CURRENT ASSETS					
Stocks	11	864,982		1,110,183	
Debtors	12	6,195,934		5,713,283	
Cash at bank		<u>3,868,464</u>		<u>1,405,872</u>	
		10,929,380		8,229,338	
CREDITORS					
Amounts falling due within one year	13	<u>4,057,075</u>		<u>3,517,063</u>	
NET CURRENT ASSETS			<u>6,872,305</u>		<u>4,712,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,567,456		13,063,270
PROVISIONS FOR LIABILITIES	14		(310,026)		(221,134)
ACCRUALS AND DEFERRED INCOME	15		<u>(625,357)</u>		<u>(715,770)</u>
NET ASSETS			<u>13,632,073</u>		<u>12,126,366</u>
CAPITAL AND RESERVES					
Called up share capital	16		200		200
Share premium	17		49,800		49,800
Retained earnings	17		<u>13,582,073</u>		<u>12,076,366</u>
SHAREHOLDERS' FUNDS			<u>13,632,073</u>		<u>12,126,366</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2022 and were signed on its behalf by:

W H Rix - Director

The notes form part of these financial statements

STOURGARDEN LIMITED (REGISTERED NUMBER: 03031052)**COMPANY BALANCE SHEET**
31 JULY 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	8		5,712,716		6,368,560
Investments	9		2,000,101		2,000,101
Investment property	10		-		-
			<u>7,712,817</u>		<u>8,368,661</u>
CURRENT ASSETS					
Stocks	11	864,982		1,110,183	
Debtors	12	6,187,600		5,704,949	
Cash at bank		<u>3,692,591</u>		<u>1,254,899</u>	
		10,745,173		8,070,031	
CREDITORS					
Amounts falling due within one year	13	<u>4,053,180</u>		<u>3,516,933</u>	
NET CURRENT ASSETS			<u>6,691,993</u>		<u>4,553,098</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,404,810		12,921,759
PROVISIONS FOR LIABILITIES	14		(310,026)		(221,134)
ACCRUALS AND DEFERRED INCOME	15		<u>(625,357)</u>		<u>(715,770)</u>
NET ASSETS			<u>13,469,427</u>		<u>11,984,855</u>
CAPITAL AND RESERVES					
Called up share capital	16		200		200
Share premium	17		49,800		49,800
Retained earnings	17		<u>13,419,427</u>		<u>11,934,855</u>
SHAREHOLDERS' FUNDS			<u>13,469,427</u>		<u>11,984,855</u>
Company's profit for the financial year			<u>1,484,572</u>		<u>749,569</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2022 and were signed on its behalf by:

W H Rix - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 28 July 2019	200	11,301,397	49,800	11,351,397
Changes in equity				
Total comprehensive income	-	774,969	-	774,969
Balance at 31 July 2020	200	12,076,366	49,800	12,126,366
Changes in equity				
Total comprehensive income	-	1,505,707	-	1,505,707
Balance at 31 July 2021	200	13,582,073	49,800	13,632,073

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 28 July 2019	200	11,185,286	49,800	11,235,286
Changes in equity				
Total comprehensive income	-	749,569	-	749,569
Balance at 31 July 2020	200	11,934,855	49,800	11,984,855
Changes in equity				
Total comprehensive income	-	1,484,572	-	1,484,572
Balance at 31 July 2021	200	13,419,427	49,800	13,469,427

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

		Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	2,952,546	862,012
Tax paid		4,205	(200,447)
Net cash from operating activities		<u>2,956,751</u>	<u>661,565</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(602,989)	(464,938)
Sale of tangible fixed assets		107,500	53,000
Interest received		1,330	8,091
Net cash from investing activities		<u>(494,159)</u>	<u>(403,847)</u>
Increase in cash and cash equivalents		<u>2,462,592</u>	<u>257,718</u>
Cash and cash equivalents at beginning of year	2	1,405,872	1,148,154
Cash and cash equivalents at end of year	2	<u><u>3,868,464</u></u>	<u><u>1,405,872</u></u>

The notes form part of these financial statements

STOURGARDEN LIMITED (REGISTERED NUMBER: 03031052)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

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

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Profit before taxation	1,855,254	964,309
Depreciation charges	1,238,561	1,330,384
Profit on disposal of fixed assets	(87,229)	(9,214)
Government grants	(90,413)	(90,413)
Finance income	(1,330)	(8,091)
	<u>2,914,843</u>	<u>2,186,975</u>
Decrease/(increase) in stocks	245,201	(149,831)
(Increase)/decrease in trade and other debtors	(536,856)	1,176,469
Increase/(decrease) in trade and other creditors	<u>329,358</u>	<u>(2,351,601)</u>
Cash generated from operations	<u><u>2,952,546</u></u>	<u><u>862,012</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 31 July 2021

	31.7.21 £	1.8.20 £
Cash and cash equivalents	<u>3,868,464</u>	<u>1,405,872</u>

Period ended 31 July 2020

	31.7.20 £	28.7.19 £
Cash and cash equivalents	<u>1,405,872</u>	<u>1,148,154</u>

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

	At 1.8.20 £	Cash flow £	At 31.7.21 £
Net cash			
Cash at bank	<u>1,405,872</u>	<u>2,462,592</u>	<u>3,868,464</u>
	<u>1,405,872</u>	<u>2,462,592</u>	<u>3,868,464</u>
Total	<u><u>1,405,872</u></u>	<u><u>2,462,592</u></u>	<u><u>3,868,464</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. STATUTORY INFORMATION

Stourgarden Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. COMPLIANCE WITH ACCOUNTING STANDARDS

The Accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have also been consistently applied within the same accounts.

These financial statements do not include a cashflow statement for the parent only as the relevant exemptions for qualifying entities in s1.12(b) of FRS 102 have been applied.

Significant judgements and estimates

The Group does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notwithstanding this, the fair value of the Group's investment property is dependent upon market activity in the future, and may need to be revised as long-term circumstances change.

Turnover

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

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 5% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Government grants

Capital Government grants are recognised as deferred income in the financial statements and are released to profit and loss over the useful life of the asset to which they relate.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

3. ACCOUNTING POLICIES - continued

Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value are included in profit or loss in the period in which they arise. Fair value is measured by reference to recent similar transactions involving properties of a similar nature, location and condition in the current market.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all costs of purchase and costs incurred in bringing stock to its present location and condition.

Financial instruments

The Group has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

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. The Group's investments in equity instruments are not publicly traded, and therefore such assets are subsequently measured at cost less impairment.

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

All provisions take into account factors that may affect future tax charges such as future changes in corporation tax rates.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

3. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

4. EMPLOYEES AND DIRECTORS

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Wages and salaries	8,767,192	9,247,876
Other pension costs	25,807	26,876
	<u>8,792,999</u>	<u>9,274,752</u>

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

	Year Ended 31.7.21	Period 28.7.19 to 31.7.20
Management & administration	20	20
Production	<u>286</u>	<u>253</u>
	<u>306</u>	<u>273</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 2 (2020 - 2) .

During the year total directors' remuneration including benefits in kind amounted to £285,442 (2020: £270,837).

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Directors' remuneration	<u>250,000</u>	<u>235,417</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Emoluments etc	<u>75,000</u>	<u>75,000</u>

5. OPERATING PROFIT

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

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Hire of plant and machinery	17,190	22,912
Other operating leases	311,181	296,651
Depreciation - owned assets	1,238,562	1,330,384
Profit on disposal of fixed assets	(87,229)	(9,214)
Auditors' remuneration		
- for audit services	12,160	15,680
- for other services	<u>3,040</u>	<u>3,920</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Current tax:		
UK corporation tax	260,655	193,739
Underprovision in prior year	<u>-</u>	<u>(3)</u>
Total current tax	260,655	193,736
Deferred tax	<u>88,892</u>	<u>(4,396)</u>
Tax on profit	<u>349,547</u>	<u>189,340</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.7.21 £	Period 28.7.19 to 31.7.20 £
Profit before tax	<u>1,855,254</u>	<u>964,309</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	352,498	183,219
Effects of:		
Expenses not deductible for tax purposes	241	2,069
Capital allowances in excess of depreciation	(91,115)	-
Depreciation in excess of capital allowances	-	13,171
Utilisation of tax losses	(969)	(4,722)
Adjustments to tax charge in respect of previous periods	-	(1)
Movement in deferred tax	<u>88,892</u>	<u>(4,396)</u>
Total tax charge	<u>349,547</u>	<u>189,340</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. TANGIBLE FIXED ASSETS

Group

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2020	1,043,456	11,535,475	249,260	178,704	13,006,895
Additions	88,627	403,619	7,045	103,698	602,989
Disposals	-	(70,554)	-	(61,171)	(131,725)
At 31 July 2021	<u>1,132,083</u>	<u>11,868,540</u>	<u>256,305</u>	<u>221,231</u>	<u>13,478,159</u>
DEPRECIATION					
At 1 August 2020	301,980	6,107,632	157,924	70,799	6,638,335
Charge for year	53,690	1,102,951	45,148	36,773	1,238,562
Eliminated on disposal	-	(70,554)	-	(40,900)	(111,454)
At 31 July 2021	<u>355,670</u>	<u>7,140,029</u>	<u>203,072</u>	<u>66,672</u>	<u>7,765,443</u>
NET BOOK VALUE					
At 31 July 2021	<u>776,413</u>	<u>4,728,511</u>	<u>53,233</u>	<u>154,559</u>	<u>5,712,716</u>
At 31 July 2020	<u>741,476</u>	<u>5,427,843</u>	<u>91,336</u>	<u>107,905</u>	<u>6,368,560</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

8. TANGIBLE FIXED ASSETS - continued

Company

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2020	1,043,456	11,535,475	249,260	178,704	13,006,895
Additions	88,627	403,619	7,045	103,698	602,989
Disposals	-	(70,554)	-	(61,171)	(131,725)
At 31 July 2021	1,132,083	11,868,540	256,305	221,231	13,478,159
DEPRECIATION					
At 1 August 2020	301,980	6,107,632	157,924	70,799	6,638,335
Charge for year	53,690	1,102,951	45,148	36,773	1,238,562
Eliminated on disposal	-	(70,554)	-	(40,900)	(111,454)
At 31 July 2021	355,670	7,140,029	203,072	66,672	7,765,443
NET BOOK VALUE					
At 31 July 2021	776,413	4,728,511	53,233	154,559	5,712,716
At 31 July 2020	741,476	5,427,843	91,336	107,905	6,368,560

9. FIXED ASSET INVESTMENTS

Group

	Shares in group undertakings £
COST	
At 1 August 2020 and 31 July 2021	100
NET BOOK VALUE	
At 31 July 2021	100
At 31 July 2020	100

Company

	Shares in group undertakings £
COST	
At 1 August 2020 and 31 July 2021	2,000,101
NET BOOK VALUE	
At 31 July 2021	2,000,101
At 31 July 2020	2,000,101

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

9. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

The Pink Onion Company Limited

Registered office: United Kingdom

Nature of business: Dormant

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Stourgarden Farms Limited

Registered office: United Kingdom

Nature of business: Farming

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		2,162,646	2,141,511
Profit for the year/period		<u>21,135</u>	<u>25,400</u>

Joint venture

Onion Plus (UK) Limited

Registered office: United Kingdom

Nature of business: Onion sales

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	50.00		
Aggregate capital and reserves		<u>100</u>	<u>100</u>

As a qualifying dormant subsidiary, The Pink Onion Company has claimed exemption from the requirement to prepare individual accounts under section 394A of the Companies Act 2006.

As a qualifying subsidiary, Stourgarden Farms Limited has claimed exemption from audit under section 479A of the Companies Act 2006.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

10. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 August 2020 and 31 July 2021	<u>1,982,335</u>
NET BOOK VALUE	
At 31 July 2021	<u>1,982,335</u>
At 31 July 2020	<u>1,982,335</u>

The Directors have measured the fair value of the investment property at the balance sheet date in line with the accounting policy adopted.

11. STOCKS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials	463,243	484,752	463,243	484,752
Packaging materials	<u>401,739</u>	<u>625,431</u>	<u>401,739</u>	<u>625,431</u>
	<u>864,982</u>	<u>1,110,183</u>	<u>864,982</u>	<u>1,110,183</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	5,355,071	5,107,738	5,355,071	5,107,738
Other debtors	387,592	426,635	387,591	426,634
Tax	-	54,205	-	54,205
Prepayments and accrued income	<u>453,271</u>	<u>124,705</u>	<u>444,938</u>	<u>116,372</u>
	<u>6,195,934</u>	<u>5,713,283</u>	<u>6,187,600</u>	<u>5,704,949</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	3,012,424	2,570,044	3,012,424	2,570,044
Tax	210,785	130	206,890	-
Social security and other taxes	156,404	149,513	156,404	149,513
Accrued expenses	587,049	706,963	587,049	706,963
Deferred government grants	<u>90,413</u>	<u>90,413</u>	<u>90,413</u>	<u>90,413</u>
	<u>4,057,075</u>	<u>3,517,063</u>	<u>4,053,180</u>	<u>3,516,933</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

14. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax	<u>310,026</u>	<u>221,134</u>	<u>310,026</u>	<u>221,134</u>
Group				
				Deferred tax
				£
Balance at 1 August 2020				221,134
Provided during the year				14,486
Changes to tax rates				<u>74,406</u>
Balance at 31 July 2021				<u>310,026</u>
Company				
				Deferred tax
				£
Balance at 1 August 2020				221,134
Provided during year				14,486
Changes to tax rates				<u>74,406</u>
Balance at 31 July 2021				<u>310,026</u>

The deferred tax liability comprises the tax effect of the accelerated allowances for tax purposes of tangible assets.

15. ACCRUALS AND DEFERRED INCOME

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred government grants	<u>625,357</u>	<u>715,770</u>	<u>625,357</u>	<u>715,770</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021	2020
			£	£
100	Ordinary "A"	£1	100	100
100	Ordinary "B"	£1	<u>100</u>	<u>100</u>
			<u>200</u>	<u>200</u>

The holders of the majority of the issued "A" Ordinary Shares can appoint up to three directors and the holders of the majority of the issued "B" Ordinary Shares can appoint another three directors. In all other respects the shares rank pari passu.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2021

17. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1 August 2020	12,076,366	49,800	12,126,166
Profit for the year	1,505,707		1,505,707
At 31 July 2021	13,582,073	49,800	13,631,873

Company

	Retained earnings £	Share premium £	Totals £
At 1 August 2020	11,934,855	49,800	11,984,655
Profit for the year	1,484,572		1,484,572
At 31 July 2021	13,419,427	49,800	13,469,227

18. RELATED PARTY DISCLOSURES

During the year the group purchased produce amounting to £6,389,699 (2020 £5,736,422) from a company under common control on a normal commercial basis. Rent of £311,181 (2020 £296,651) was paid for the company's premises, as was a professional service charge of £293,486 (2020 £173,368).

Rent at an open market value of £25,000 (2020 £25,000) for use of farmland was also paid to a subsidiary undertaking by a company under common control.

The group made sales of £557,677 (2020 £452,049) to a company under common control on a normal commercial basis.

At the year end a net amount of £1,704,929 was due to a company under common control (2020 £512,357 due to that company).

During the year, a total of key management personnel compensation of £ 315,072 was paid.

19. ULTIMATE CONTROLLING PARTY

The group is controlled jointly by the four Directors who each own 25% of the issued share capital.

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.