Company Registration No. 00917409 (England and Wales)

SYKES HOUSE FARM LIMITED

FINANCIAL STATEMENTS

30 JUNE 2020

LITHGOW PERKINS LLP
Chartered Accountants
Crown Chambers
Princes Street
Harrogate

SYKES HOUSE FARM LIMITED

COMPANY INFORMATION

Directors	M P Smith R C Smith R L Hirst
Secretary	M J Smith
Company number	00917409
Registered office	Crown Chambers Princes Street HARROGATE HG1 1NJ
Auditor	Lithgow Perkins LLP Crown Chambers Princes Street HARROGATE HG1 1NJ

SYKES HOUSE FARM LIMITED

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SYKES HOUSE FARM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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

Review of the business
We aim to present a balanced review of the development and performance of the business during the year, and its position at the year end. Our review is consistent with the size and non- complex nature of the business and is written in the context of the risks and uncertainties we face.

The profit for the year, after taxation, is £586,135 (2019 £550,104). Total ordinary dividends of £590,000 (2019 £320,000) were paid during the year. Shareholders' funds decreased by £3,865 due to retained losses. We feel that the results for the year and the financial position at the year end are satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties facing the company are competitive risks. As for many businesses of our size and in our sector the business environment in which we operate continues to be challenging.

Key performance indicators
We consider the Company's key financial performance indicators during the year were as follows:

	2020	2019	Change
	£'000	£'000	%
Turnover	**8,835**	11,541	-23.4%
Gross profit	**3,040**	3,869	-21.4%
Gross profit %	**34.4%**	33.5%	+0.9%

The company's principal financial instruments are trade debtors and trade creditors that arise directly from its operations.

Impact of Covid-19 on the business
Many of the company's customers are engaged in the hospitality sector severely affected by the various lockdowns imposed by government and this has impacted on the company which has seen turnover fall since March 2020 compared to levels achieved before the pandemic. The company has made use of government support measures such as the furlough scheme to enable it to retain employees but some redundancies have been necessary. The varied customer base established by the company has been a major asset of the business and even more so during the economic disruption resulting from Covid-19.

Future development
We are aware that any plans for future development may be subject to unforeseen events outside of our control. However, we will continue to be flexible and respond to market conditions and opportunities as they arise. In the coming year the company aims to grow sales by volume increases aided by some new products.

On behalf of the board

R C Smith
Director
30 December 2020

SYKES HOUSE FARM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities
The principal activity of the company continued to be that of suppliers of fresh and frozen foods.

Results and dividends
The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £590,000. The directors do not recommend payment of a final dividend.

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

M P Smith
R C Smith
R L Hirst

Auditor
The auditor, Lithgow Perkins LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

Disclosure of information in the strategic report
In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Directors' Report.

On behalf of the board

R C Smith
Director

30 December 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

The directors are responsible for preparing the annual 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.

SYKES HOUSE FARM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYKES HOUSE FARM LIMITED

Opinion

We have audited the financial statements of Sykes House Farm Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 and the directors' report.

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

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

Responsibilities of directors
As explained more fully in the 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.

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

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

Lithgow Perkins LLP

Michael Briggs BA FCA (Senior Statutory Auditor)
For and on behalf of Lithgow Perkins LLP

26 January 2021

Chartered Accountants
Statutory Auditor

Crown Chambers
Princes Street
HARROGATE
HG1 1NJ

SYKES HOUSE FARM LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	8,834,558	11,540,526
Cost of sales		(5,794,183)	(7,671,576)
Gross profit		3,040,375	3,868,950
Distribution costs		(2,419,811)	(3,104,327)
Administrative expenses		(59,439)	(87,605)
Other operating income		158,754	1,236
Operating profit	4	719,879	678,254
Interest receivable and similar income	7	8,107	10,586
Unrealised gain on current asset investment		(906)	17,843
Profit before taxation		727,080	706,683
Tax on profit	8	(140,945)	(156,579)
Profit for the financial year		586,135	550,104
Retained earnings brought forward		2,751,182	2,521,078
Dividends	9	(590,000)	(320,000)
Retained earnings carried forward		2,747,317	2,751,182

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SYKES HOUSE FARM LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**10**		1,270,131		1,348,621
Current assets					
Stocks	**11**	205,085		290,659	
Debtors	**12**	384,807		1,665,769	
Investments	**13**	269,058		172,464	
Cash at bank and in hand		1,728,590		817,515	
		2,587,540		2,946,407	
Creditors: amounts falling due within one year	**14**	(1,001,354)		(1,420,846)	
Net current assets			1,586,186		1,525,561
Total assets less current liabilities			2,856,317		2,874,182
Provisions for liabilities					
Deferred tax liability	**15**	108,000		122,000	
			(108,000)		(122,000)
Net assets			2,748,317		2,752,182
Capital and reserves					
Called up share capital	**18**		1,000		1,000
Profit and loss reserves	**19**		2,747,317		2,751,182
Total equity			2,748,317		2,752,182

The financial statements were approved by the board of directors and authorised for issue on 30 December 2020 and are signed on its behalf by:

R C Smith
Director

Company Registration No. 00917409

SYKES HOUSE FARM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**22**		1,268,998		1,058,932
Income taxes paid			(140,045)		(147,579)
Net cash inflow from operating activities			1,128,953		911,353
Investing activities					
Purchase of tangible fixed assets		(89,802)		(830,933)	
Proceeds on disposal of tangible fixed assets		26,317		31,640	
Proceeds on disposal of current asset investments				666,888	
(Other investments) and (loans made)/loans repaid		427,500		(696,000)	
Interest received		8,107		10,586	
Net cash generated from/(used in) investing activities			372,122		(817,819)
Financing activities					
Dividends paid		(590,000)		(320,000)	
Net cash used in financing activities			(590,000)		(320,000)
Net increase/(decrease) in cash and cash equivalents			911,075		(226,466)
Cash and cash equivalents at beginning of year			817,515		1,043,981
Cash and cash equivalents at end of year			1,728,590		817,515

1 Accounting policies

Company information

Sykes House Farm Limited is a private company limited by shares incorporated in England and Wales. The registered office is Crown Chambers, Princes Street, HARROGATE, HG1 1NJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the 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.

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.

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.

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

Freehold land	not depreciated
Leasehold property	10% straight line
Fixtures and fittings	5% - 20% reducing balance
Motor vehicles	25% reducing balance

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 Accounting policies

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 Stocks

Stocks are stated at the lower of the purchased cost and net realisable value.

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.

1.7 Current asset investments

Current asset investments are listed investments and are measured at fair value

1.8 Cash at bank and in hand

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.

1 Accounting policies

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

Basic financial liabilities
Basic financial liabilities, including 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 payments 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.

1 Accounting policies

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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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.

1.11 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.

1.12 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.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies

1.14 Leases

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

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	8,834,558	11,540,526

	2020	2019
	£	£
Other significant revenue		
Interest income	8,107	10,586
Capital grants received	1,098	1,236
Furlough and other Covid-19 grants	157,656	-

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2020 £	2019 £
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	142	(2,252)
Government grants	(1,098)	(1,236)
Depreciation of owned tangible fixed assets	125,751	151,470
Loss on disposal of tangible fixed assets	16,224	6,743
Operating lease charges	-	50,000

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2020 £	2019 £
For audit services		
Audit of the financial statements of the company	5,455	5,145
For other services		
All other non-audit services	9,686	10,327

6 Employees

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

	2020 Number	2019 Number
Production staff	44	51
Distribution staff	17	17
Administrative staff	14	15
Total	75	83

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,415,165	1,856,938
Social security costs	117,897	159,565
Pension costs	179,136	164,615
	1,712,198	2,181,118

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	8,107	10,586

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	8,107	10,586

8 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	154,900	140,000
Adjustments in respect of prior periods	45	(421)
Total current tax	154,945	139,579
Deferred tax		
Origination and reversal of timing differences	(14,000)	17,000
Total tax charge	140,945	156,579

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:

	2020	2019
	£	£
Profit before taxation	727,080	706,683
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	138,145	134,270
Tax effect of expenses that are not deductible in determining taxable profit	5,040	3,155
Tax effect of income not taxable in determining taxable profit	-	(2,368)
Gains not taxable	172	-
Permanent capital allowances in excess of depreciation	(2,412)	2,995
Investment gain taxable in year	-	18,527
Taxation charge for the year	140,945	156,579

9 Dividends

	2020	2019
	£	£
Interim paid	590,000	320,000

10 Tangible fixed assets

	Freehold land	Leasehold property	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2019	665,804	306,791	774,148	665,985	2,412,728
Additions	-	-	35,217	54,585	89,802
Disposals	-	(2,650)	(43,278)	(139,969)	(185,897)
At 30 June 2020	665,804	304,141	766,087	580,601	2,316,633
Depreciation and impairment					
At 1 July 2019	18,669	290,609	389,542	365,287	1,064,107
Depreciation charged in the year	-	3,708	43,049	78,994	125,751
Eliminated in respect of disposals	-	(2,649)	(40,046)	(100,661)	(143,356)
At 30 June 2020	18,669	291,668	392,545	343,620	1,046,502
Carrying amount					
At 30 June 2020	647,135	12,473	373,542	236,981	1,270,131
At 30 June 2019	647,135	16,182	384,606	300,698	1,348,621

11 Stocks

	2020	2019
	£	£
Raw materials and consumables	205,085	290,659

12 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	305,980	1,102,348
Other debtors	15,030	535,751
Prepayments and accrued income	63,797	27,670
	384,807	1,665,769

13 Current asset investments

	2020	2019
	£	£
Listed investments	269,058	172,464
Listed investments included above:		
Listed investments carrying amount	269,058	172,464

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	237,682	638,178
Amounts owed to group undertakings	532,544	532,544
Corporation tax	154,900	140,000
Other taxation and social security	20,685	35,342
Accruals and deferred income	55,543	74,782
	1,001,354	1,420,846

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
Balances:	£	£
Accelerated capital allowances	108,000	122,000

	2020
Movements in the year:	£
Liability at 1 July 2019	122,000
Credit to profit or loss	(14,000)
Liability at 30 June 2020	108,000

16 Deferred grants

The amount recognised in creditors in the financial statements for deferred government grants due within one year is £3,461 (2019: £4,559).

The amount recognised in other operating income for government grants released to profit and loss is £1,098 (2019: £1,236).

A grant of £37,699 was received in 2010 from The European Agricultural Fund for Rural Development. £32,457 in respect of capital expenditure is amortised over the life of the asset.

17 Retirement benefit schemes

	2020	2019
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	179,136	164,615

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

18 Share capital

	2020	2019	2020	2019
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary 'A' Shares of £1 each	750	750	750	750
Ordinary 'B' Shares of £1 each	150	150	150	150
Ordinary 'C' Shares of £1 each	100	100	100	100
	1,000	1,000	1,000	1,000

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

19 Profit and loss reserves

Includes all current and prior period retained profits and losses net of distributions to owners.

20 Going concern

Impact of Covid-19 on the business

The Covid-19 pandemic has caused widespread disruption among many businesses and Sykes House Farm Limited is not immune from the impact. Many of the company's customers are engaged in the hospitality sector severely affected by the various lockdowns imposed by government and this has impacted on the company which has seen turnover fall since March 2020 compared to levels achieved before the pandemic.

The company has made use of government support measures such as the Coronavirus Job Retention Scheme which has helped retain staff during the slowdown in business. Other costs have been carefully managed since the year end to further protect the company's future.

In the directors' opinion the company has a strong balance sheet and adequate cash resources to enable the company to meet its liabilities as they fall due. After reviewing all available information, the directors' are satisfied that it is appropriate to apply the going concern basis of accounting in preparing these financial statements.

21 Ultimate controlling party

The company is controlled by the directors of it's ultimate holding company, Live Yorkshire Limited, a company registered in England and Wales. The address of the registered office is Crown Chambers, Princes Street, Harrogate, HG1 1NJ. Copies of the parent company's accounts can be obtained from Companies House, Cardiff.

22 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	586,135	550,104
Adjustments for:		
Taxation charged	140,945	156,579
Investment income	(8,107)	(10,586)
Loss on disposal of tangible fixed assets	16,224	6,743
Depreciation and impairment of tangible fixed assets	125,751	151,470
Unrealised gain on current asset investments	906	(17,843)
Movements in working capital:		
Decrease in stocks	85,574	72,209
Decrease in debtors	755,962	158,062
(Decrease) in creditors	(434,392)	(7,806)
Cash generated from operations	1,268,998	1,058,932

23 Analysis of changes in net funds

	1 July 2019	Cash flows	30 June 2020
	£	£	£
Cash at bank and in hand	817,515	911,075	1,728,590