

Company Registration No. 00336224 (England and Wales)

F A GILL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

F A GILL LIMITED

COMPANY INFORMATION

Directors	A R Paget C E Gill
Secretary	C E Gill
Company number	00336224
Registered office	Parkfields Wolverhampton West Midlands WV4 6EH
Auditor	Bache Brown & Co Limited Swinford House Albion Street Brierley Hill West Midlands DY5 3EE
Business address	Parkfields Wolverhampton West Midlands WV4 6EH
Bankers	Barclays Bank PLC Queen Square Branch Wolverhampton West Midlands WV1 1DS

F A GILL LIMITED

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F A GILL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Directors present the strategic report and financial statements for the year ended 30 September 2021.

Fair review of the business

The Group Statement of Financial position is on page 8. At the end of the 83rd trading year the Shareholders funds now amount to £8,083,985. The total sale value recorded for the year was £39,408,536, and this was down on the previous year. This reflects the very tough trading conditions in an economy still suffering from COVID.

The year under review began well and then the full impact of the staff absences from COVID in early 2021 took their toll. As noted in the previous annual report the additional costs of working with changing restrictions to safeguard our staff and customers have been high. The importation of pork into the UK without any additional documentation being required from EU suppliers gave them a great opportunity that was denied by them to UK exporters selling to the EU. This aspect of Brexit is to be corrected in 2022, but the damage has been done and has been reported by the media. The facts are always transparently shown within the publications of AHDB funded by the levies paid by the operators in this pigmeat sector.

There are no dividends to be paid in respect of 2020/2021.

Principal risks and uncertainties

The pig cycle has become much more familiar to many outside our industry during 2021, the year has seen lower pig price and a serious backlog of heavy fatter pigs waiting on farms. This has not been a great background for the trade and the ill wind has certainly been blowing harder than ever.

The Directors remain committed to credit insurance policies to minimise the risks of failures within our customer base.

The regulators within the food industry are still acting as if unaware of the real challenges presented by COVID and BREXIT. Whilst we all have to eat, the spate of worthy initiatives at such challenging times is far from helpful. We have seen the first hand impacts of the COVID shutdowns in terms of reduced demand and sale, but also in personal suffering of colleagues battling with the toxic legacies of closed schools and lockdowns. We recall that Ronald Reagan said the most terrifying words in the English language in a crisis in the USA were "I'm from the Government and I am here to help". The same sentiment can be echoed most days in the UK and that is not a great accolade, and they never deliver the promised help.

Development and performance

The Directors continue to believe that the financial stability and independence of F A GILL LTD is a major advantage to us, our staff and to our customers. The Director thank all of our staff for their resilience and great efforts in the past year. We are building and planning for the future and thank all our customers for the trust and support they offer us. As always we are keen to see more British Pork on British forks in whatever format, as ham, as sausage and as pork all for sharing and enjoying.

Key performance indicators

At our regular Management meetings, the Directors review sales, gross profit margins and operational costs with the leadership team. The Health and Safety of all of our teams is crucially important and the ongoing quality assurance work on all 5 sites is a key focus for our daily activities. The Directors are pleased with the progress made in the past year and look forward to attaining our goals in the newly started year. To borrow from Angela Merkel "Wir schaffen das" or We will make it!

On behalf of the board

C E Gill

Director

21 January 2022

F A GILL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Principal activities

The principal activity of the company continued to be the processing and wholesaling of pork and meat products.

Directors

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

A R Paget
C E Gill

Results and dividends

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

It is proposed that the retained loss of £172,291 is transferred to the group's reserves.

Auditor

Bache Brown & Co Limited will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

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 group and company, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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 auditor of the company 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 auditor of the company is aware of that information.

F A GILL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

On behalf of the board

C E Gill

Director

21 January 2022

F A GILL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F A GILL LIMITED

Opinion

We have audited the financial statements of F A Gill Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2021 and of the group's loss 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 group's and 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 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.

F A GILL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF F A GILL 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 group and the parent 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 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 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 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 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.

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

Approach to assessing the risks of misstatement due to irregularities, including fraud

We assess the risk of material misstatement in respect of fraud by meeting with management to understand where it considered there was susceptibility to fraud.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant reporting frameworks which are likely to affect the company include FRS102, the Companies Act 2006 and the relevant tax laws. In addition we determined that there were significant laws and regulations which we considered whilst carrying out the audit and the disclosures made in the financial statements.

F A GILL LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF F A GILL LIMITED**

Audit response to risks identified

We considered the risk of fraud through management override on controls. We also considered how management bias may impact upon performance targets.

In response we performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of any significant transactions outside the normal course of business, reviewing accounting estimates for management bias.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries with management around actual and potential claims. Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

Ian Richard Baker (Senior Statutory Auditor)
For and on behalf of Bache Brown & Co Limited

21 January 2022

Certified Chartered Accountants
Statutory Auditor

Swinford House
Albion Street
Brierley Hill
DY5 3EE

F A GILL LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
Turnover	3	39,408,536	42,739,352
Cost of sales		(32,686,587)	(35,210,431)
Gross profit		6,721,949	7,528,921
Distribution costs		(1,192,603)	(1,376,440)
Administrative expenses		(5,771,237)	(6,188,165)
Other operating income		47,892	171,162
Operating (loss)/profit	4	(193,999)	135,478
Interest receivable and similar income	8	722	4,776
(Loss)/profit before taxation		(193,277)	140,254
Tax on (loss)/profit	9	20,986	(43,013)
(Loss)/profit for the financial year		(172,291)	97,241

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

F A GILL LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		3,888,009		4,076,940
Investment properties	11		163,669		163,669
			<u>4,051,678</u>		<u>4,240,609</u>
Current assets					
Stocks	15	2,533,094		2,008,165	
Debtors	16	4,340,770		4,572,291	
Cash at bank and in hand		708,968		1,344,695	
		<u>7,582,832</u>		<u>7,925,151</u>	
Creditors: amounts falling due within one year	17	<u>(3,550,525)</u>		<u>(3,909,484)</u>	
Net current assets			<u>4,032,307</u>		<u>4,015,667</u>
Net assets			<u>8,083,985</u>		<u>8,256,276</u>
Capital and reserves					
Called up share capital	20		77,662		77,662
Share premium account			80,000		80,000
Capital redemption reserve			90,706		90,706
Profit and loss reserves			7,835,617		8,007,908
Total equity			<u>8,083,985</u>		<u>8,256,276</u>

The financial statements were approved by the board of directors and authorised for issue on 21 January 2022 and are signed on its behalf by:

A R Paget
Director

C E Gill
Director

F A GILL LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10	3,888,009		4,076,940	
Investment properties	11	163,669		163,669	
Investments	12	5,852		5,852	
			4,057,530		4,246,461
Current assets					
Stocks	15	2,533,094		2,008,165	
Debtors	16	4,340,770		4,572,291	
Cash at bank and in hand		708,968		1,344,695	
			7,582,832		7,925,151
Creditors: amounts falling due within one year					
	17	(3,556,377)		(3,915,336)	
Net current assets					
			4,026,455		4,009,815
Net assets					
			8,083,985		8,256,276
Capital and reserves					
Called up share capital	20	77,662		77,662	
Share premium account		80,000		80,000	
Capital redemption reserve		48,968		48,968	
Profit and loss reserves		7,877,355		8,049,646	
Total equity					
			8,083,985		8,256,276

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £172,291 (2020 - £97,240 profit)

The financial statements were approved by the board of directors and authorised for issue on 21 January 2022 and are signed on its behalf by:

A R Paget
Director

C E Gill
Director

Company Registration No. 00336224

F A GILL LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 October 2019	77,662	80,000	90,706	7,910,667	8,159,035
Year ended 30 September 2020: Profit and total comprehensive income for the year	-	-	-	97,241	97,241
Balance at 30 September 2020	77,662	80,000	90,706	8,007,908	8,256,276
Year ended 30 September 2021: Loss and total comprehensive income for the year	-	-	-	(172,291)	(172,291)
Balance at 30 September 2021	77,662	80,000	90,706	7,835,617	8,083,985

F A GILL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 October 2019	77,662	80,000	48,968	7,952,405	8,159,035
Year ended 30 September 2020: Profit and total comprehensive income for the year	-	-	-	97,241	97,241
Balance at 30 September 2020	77,662	80,000	48,968	8,049,646	8,256,276
Year ended 30 September 2021: Loss and total comprehensive income for the year	-	-	-	(172,291)	(172,291)
Balance at 30 September 2021	77,662	80,000	48,968	7,877,355	8,083,985

F A GILL LIMITED

**GROUP AND COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(543,177)		446,733
Investing activities					
Purchase of tangible fixed assets		(130,156)		(213,311)	
Proceeds on disposal of tangible fixed assets		36,883		-	
Interest received		723		4,776	
Net cash used in investing activities			(92,550)		(208,535)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(635,727)		238,198
Cash and cash equivalents at beginning of year			1,344,695		1,106,497
Cash and cash equivalents at end of year			708,968		1,344,695

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

F A Gill Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Parkfields, Wolverhampton, West Midlands, WV4 6EH.

The group consists of F A Gill Limited and all of its subsidiaries.

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 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company F A Gill Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.4 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.

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 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:

Land and buildings Freehold	2% of buildings straight line basis
Land and buildings Leasehold	Amortised over the period of the lease
Plant and machinery	5% - 25% straight line basis

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 recognised in the income statement.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

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.

1.9 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.10 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.

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.11 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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 group 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 group after deducting all of its liabilities.

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group 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 group.

1.13 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 income statement 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 group'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 income statement, 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 if, and only if, there is 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.

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

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

1.16 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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.17 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.

1.18 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 group'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.

F A GILL LIMITED

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

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Wholesale of pork and meat products	39,408,536	42,739,352
	<u><u> </u></u>	<u><u> </u></u>
	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	39,383,295	42,626,505
Other E.U countries	25,241	112,847
	<u> </u>	<u> </u>
	<u><u>39,408,536</u></u>	<u><u>42,739,352</u></u>
	2021	2020
	£	£
Other significant revenue		
Interest income	722	4,776
Grants received	43,392	165,162
	<u> </u>	<u> </u>

4 Operating (loss)/profit

	2021	2020
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(43,392)	(165,162)
Depreciation of owned tangible fixed assets	319,082	480,194
Profit on disposal of tangible fixed assets	(36,878)	-
Operating lease charges	82,515	81,515
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,000	15,000
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	3,100	3,100
All other non-audit services	14,250	20,325
	<u> </u>	<u> </u>
	<u><u>17,350</u></u>	<u><u>23,425</u></u>

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Auditor's remuneration (Continued)

For services in respect of associated pension schemes

Audit-related assurance services	3,300	3,300
	<u>3,300</u>	<u>3,300</u>

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administrative staff	24	29	24	29
Sales and distribution	51	54	51	54
Works	136	144	136	144
	<u>211</u>	<u>227</u>	<u>211</u>	<u>227</u>
Total	<u>211</u>	<u>227</u>	<u>211</u>	<u>227</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,003,488	5,149,728	5,003,488	5,149,728
Social security costs	485,585	413,448	485,585	413,448
Pension costs	94,145	116,767	94,145	116,767
	<u>5,583,218</u>	<u>5,679,943</u>	<u>5,583,218</u>	<u>5,679,943</u>
	<u>5,583,218</u>	<u>5,679,943</u>	<u>5,583,218</u>	<u>5,679,943</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	345,546	311,748
	<u>345,546</u>	<u>311,748</u>

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

	2021 £	2020 £
Remuneration for qualifying services	239,038	205,987
	<u>239,038</u>	<u>205,987</u>

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8	Interest receivable and similar income	2021	2020
		£	£
	Interest income		
	Interest on bank deposits	722	4,776
		<u> </u>	<u> </u>

9	Taxation	2021	2020
		£	£
	Deferred tax		
	Origination and reversal of timing differences	(20,986)	43,013
		<u> </u>	<u> </u>

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

	2021	2020
	£	£
(Loss)/profit before taxation	(193,277)	140,254
	<u> </u>	<u> </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(36,723)	26,648
Tax effect of expenses that are not deductible in determining taxable profit	4,337	4,965
Depreciation on assets not qualifying for tax allowances	11,400	11,400
	<u> </u>	<u> </u>
Taxation (credit)/charge	(20,986)	43,013
	<u> </u>	<u> </u>

The company has tax losses of £1,648,688 available to carry forward against future trading profits.

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Tangible fixed assets

Group	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Total £
Cost				
At 1 October 2020	4,121,268	37,860	12,685,768	16,844,896
Additions	-	-	130,156	130,156
Disposals	-	-	(360,226)	(360,226)
At 30 September 2021	4,121,268	37,860	12,455,698	16,614,826
Depreciation and impairment				
At 1 October 2020	910,625	37,860	11,819,471	12,767,956
Depreciation charged in the year	60,000	-	259,082	319,082
Eliminated in respect of disposals	-	-	(360,221)	(360,221)
At 30 September 2021	970,625	37,860	11,718,332	12,726,817
Carrying amount				
At 30 September 2021	3,150,643	-	737,366	3,888,009
At 30 September 2020	3,210,643	-	866,297	4,076,940
Company				
Cost				
At 1 October 2020	4,121,268	37,860	12,685,768	16,844,896
Additions	-	-	130,156	130,156
Disposals	-	-	(360,226)	(360,226)
At 30 September 2021	4,121,268	37,860	12,455,698	16,614,826
Depreciation and impairment				
At 1 October 2020	910,625	37,860	11,819,471	12,767,956
Depreciation charged in the year	60,000	-	259,082	319,082
Eliminated in respect of disposals	-	-	(360,221)	(360,221)
At 30 September 2021	970,625	37,860	11,718,332	12,726,817
Carrying amount				
At 30 September 2021	3,150,643	-	737,366	3,888,009
At 30 September 2020	3,210,643	-	866,297	4,076,940

F A GILL LIMITED

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10 Tangible fixed assets (Continued)

The carrying value of land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold	3,150,643	3,215,999	3,150,643	3,215,999

11 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 October 2020 and 30 September 2021	163,669	163,669

The investment property is included in the accounts at cost which the directors consider to be a close approximation of the market value.

12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	5,852	5,852

**Movements in fixed asset investments
Company**

	Shares in subsidiaries £
Cost or valuation	
At 1 October 2020 and 30 September 2021	5,852
Carrying amount	
At 30 September 2021	5,852
At 30 September 2020	5,852

F A GILL LIMITED

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

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Gills Fresh Meats Limited	England and Wales	Dormant	Ordinary	100.00	0
Gills Meat Halls Limited	England and Wales	Dormant	Ordinary	100.00	0
Gills Meat Products Limited	England and Wales	Dormant	Ordinary	100.00	0
Grangeway Food Services Limited	England and Wales	Dormant	Ordinary	100.00	0

14 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,398,188	3,667,944	3,398,188	3,667,944
Carrying amount of financial liabilities				
Measured at amortised cost	3,430,005	3,740,118	3,435,857	3,745,970

15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	2,533,094	2,008,165	2,533,094	2,008,165

16 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	3,397,171	3,667,933	3,397,171	3,667,933
Other debtors	164,404	141,882	164,404	141,882
Prepayments and accrued income	541,058	545,325	541,058	545,325
	4,102,633	4,355,140	4,102,633	4,355,140
Deferred tax asset (note 18)	238,137	217,151	238,137	217,151
	4,340,770	4,572,291	4,340,770	4,572,291

F A GILL LIMITED

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

17 Creditors: amounts falling due within one year

	Group	2020	Company	2020
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	3,353,838	3,661,902	3,353,838	3,661,902
Amounts owed to group undertakings	-	-	5,852	5,852
Other taxation and social security	120,520	169,366	120,520	169,366
Accruals and deferred income	76,167	78,216	76,167	78,216
	<u>3,550,525</u>	<u>3,909,484</u>	<u>3,556,377</u>	<u>3,915,336</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Assets	Assets
	2021	2020
	£	£
Recognition of deferred tax asset on losses carried forward	238,137	217,151
	<u>238,137</u>	<u>217,151</u>
Company	Assets	Assets
	2021	2020
	£	£
Recognition of deferred tax asset on losses carried forward	238,137	217,151
	<u>238,137</u>	<u>217,151</u>
Movements in the year:	Group	Company
	2021	2021
	£	£
Liability/(asset) at 1 October 2020	(217,151)	(217,151)
Credit to profit or loss	(20,986)	(20,986)
	<u>(238,137)</u>	<u>(238,137)</u>
Liability/(asset) at 30 September 2021	<u>238,137</u>	<u>238,137</u>

19 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	94,145	116,767
	<u>94,145</u>	<u>116,767</u>

F A GILL LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary Shares of £1 each	77,662	77,662	77,662	77,662
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Operating lease commitments

Lessee

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	82,515	82,515	82,515	82,515
Between two and five years	231,684	287,899	231,684	287,899
In over five years	4,383	30,683	4,383	30,683
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>318,582</u>	<u>401,097</u>	<u>318,582</u>	<u>401,097</u>

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	-	53,250	-	53,250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

F A GILL LIMITED

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

23 Cash (absorbed by)/generated from group operations	2021 £	2020 £
(Loss)/profit for the year after tax	(172,291)	97,241
Adjustments for:		
Taxation (credited)/charged	(20,986)	43,013
Investment income	(722)	(4,776)
Gain on disposal of tangible fixed assets	(36,878)	-
Depreciation and impairment of tangible fixed assets	319,082	480,194
Movements in working capital:		
Increase in stocks	(524,929)	(619,760)
Decrease/(increase) in debtors	252,507	(50,497)
(Decrease)/increase in creditors	(358,959)	501,318
Cash (absorbed by)/generated from operations	(543,176)	446,733

24 Analysis of changes in net funds - group	1 October 2020 £	Cash flows £	30 September 2021 £
Cash at bank and in hand	1,344,695	(635,727)	708,968

25 Analysis of changes in net funds - company	1 October 2020 £	Cash flows £	30 September 2021 £
Cash at bank and in hand	1,344,695	(635,727)	708,968

