

EAST MALLING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

EAST MALLING LIMITED

COMPANY INFORMATION

Director	O P Doubleday
Company secretary	K M Hood
Registered number	05046509
Registered office	Bradbourne House East Malling West Malling ME19 6DZ
Independent auditors	Crowe U.K. LLP Chartered Accountants & Registered Auditors Riverside House 40-46 High Street Maidstone Kent ME14 1JH

EAST MALLING LIMITED

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EAST MALLING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives and activities

East Malling Limited is a wholly owned subsidiary of The East Malling Trust, a registered charity. East Malling Limited's objectives are to maximise the return from its commercial activities and to donate, via gift aid, any profits to The East Malling Trust.

The Company's principal activities for the majority of the year under review were the operation of the events and catering business.

Achievements and performance

During the year, EML continued to outsource the events and catering business to Baxter Storey.

For the period under review, operations resumed after covid restrictions and commission was received from Baxter Storey. Restart grants were also applied for to resume running of the café and conference centre.

Future Developments

We will continue to outsource the management to Baxter Storey and will receive minimum guaranteed commission payments.

EAST MALLING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The Company's principal activities during the year under review were the limited operation of the Events and Catering business.

EML made a profit for the year before and after tax of £34,077 (2020/21 profit of £403).

At 31 March 2022 EML had net liabilities of £183,184 and has a letter of support from The Trust (2020/21 - net liabilities £217,261).

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements.

The directors regard the going concern basis as remaining appropriate as the company is able to call upon the resources of its parent, The East Malling Trust, to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served during the year were:

K C Blackiston (resigned 31 August 2022)

O P Doubleday

S A Flanagan (resigned 12 April 2022)

Disclosure of information to auditors

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

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

Auditors

The auditors, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **20/12/2022** and signed on its behalf.



O P Doubleday
Director

EAST MALLING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST MALLING LIMITED

Opinion

We have audited the financial statements of East Malling Limited (the 'Company') for the year ended 31 March 2022, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

EAST MALLING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST MALLING LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

EAST MALLING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST MALLING LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant tax legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

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

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

Use of our report

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

EAST MALLING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAST MALLING LIMITED (CONTINUED)

Ian Weekes (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Chartered Accountants

Registered Auditors

Riverside House

40-46 High Street

Maidstone

Kent

ME14 1JH

Date:

EAST MALLING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover		115,977	19,757
Cost of sales		(58,579)	(30,551)
Gross profit/(loss)		57,398	(10,794)
Administrative expenses		(14,370)	(16,236)
Other operating income		-	27,433
Operating profit		43,028	403
Tax on profit	3	(8,951)	-
Profit for the financial year		34,077	403

The notes on pages 10 to 16 form part of these financial statements.

EAST MALLING LIMITED
REGISTERED NUMBER: 05046509

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	9,579	12,576
		<u>9,579</u>	<u>12,576</u>
Current assets			
Stocks		1,497	2,194
Debtors: amounts falling due within one year	6	33,283	5,194
Cash at bank and in hand	7	20,105	29,568
		<u>54,885</u>	<u>36,956</u>
Creditors: amounts falling due within one year	8	(246,734)	(266,793)
Net current liabilities		<u>(191,849)</u>	<u>(229,837)</u>
Total assets less current liabilities		<u>(182,270)</u>	<u>(217,261)</u>
Provisions for liabilities			
Deferred tax	9	(914)	-
		<u>(914)</u>	<u>-</u>
Net liabilities		<u>(183,184)</u>	<u>(217,261)</u>
Capital and reserves			
Called up share capital	10	20,000	20,000
Profit and loss account		(203,184)	(237,261)
		<u>(183,184)</u>	<u>(217,261)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20/12/2022



O P Doubleday
Director

The notes on pages 10 to 16 form part of these financial statements.

EAST MALLING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	20,000	(237,261)	(217,261)
Profit for the year	-	34,077	34,077
At 31 March 2022	20,000	(203,184)	(183,184)

The notes on pages 10 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2020	20,000	(237,664)	(217,664)
Profit for the year	-	403	403
At 31 March 2021	20,000	(237,261)	(217,261)

The notes on pages 10 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

The principal activity of the company were the operation of conference and dining facilities and facilities management of the East Malling site.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The directors regard the going concern basis as remaining appropriate as the company is able to call upon the resources of its parent, The East Malling Trust, to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The East Malling Trust as at 31 March 2022 and these financial statements may be obtained from Companies House.

2.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Outsourced service commission income is accounted for on an accruals basis and is recognised when it becomes due to East Malling Limited.

The operation of conference and catering facilities are accounted for on an accruals basis and income is recognised on the day of the event.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Motor vehicles	- 25% reducing balance
Computer equipment	- 4 years straight line
Plant and equipment	- 10-20% straight line

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

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

2.4 Stocks

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

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.6 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

EAST MALLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.7 Current and deferred taxation

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

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

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

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

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

3. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	8,037	-
	<u>8,037</u>	<u>-</u>
Total current tax	<u>8,037</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	182	-
Changes to tax rates	176	-
Adjustments in respect of prior periods	556	-
Total deferred tax	<u>914</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>8,951</u>	<u>-</u>

EAST MALLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (*2021 - lower than*) the standard rate of corporation tax in the UK of 19% (*2021 - 19%*). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	43,028	403
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2021 - 19%</i>)	8,175	77
Effects of:		
Deferred tax not recognised	-	(77)
Adjustments to tax charge in respect of previous periods	556	-
Adjust deferred tax to standard corporation tax rate	220	-
Total tax charge for the year	8,951	-

4. Employees

In the current and prior year, no employees were employed directly by East Malling Limited.

The average monthly number of employees, including directors, during the year was 0 (*2021 - 0*).

EAST MALLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Tangible fixed assets

	Plant and equipment £
Cost or valuation	
At 1 April 2021	73,005
At 31 March 2022	<u>73,005</u>
Depreciation	
At 1 April 2021	60,429
Charge for the year on owned assets	2,997
At 31 March 2022	<u>63,426</u>
Net book value	
At 31 March 2022	<u>9,579</u>
At 31 March 2021	<u>12,576</u>

6. Debtors

	2022 £	2021 £
Trade debtors	33,000	-
Other debtors	283	5,194
	<u>33,283</u>	<u>5,194</u>

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	20,105	29,568
	<u>20,105</u>	<u>29,568</u>

EAST MALLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	11,954	25,708
Amounts owed to group undertakings	225,151	240,861
Corporation tax	8,049	-
Other taxation and social security	1,106	194
Other creditors	474	30
	<u>246,734</u>	<u>266,793</u>

9. Deferred taxation

	2022 £
Charged to profit or loss	(914)
At end of year	<u><u>(914)</u></u>

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(914)	-
	<u><u>(914)</u></u>	<u><u>-</u></u>

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
20,000 (2021 - 20,000) Ordinary shares of £1.00 each	<u>20,000</u>	<u>20,000</u>

EAST MALLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Ultimate parent undertaking and controlling party

The ultimate controlling party is The East Malling Trust, a charitable company limited by guarantee.

The East Malling trust prepares group financial statements, and copies can be obtained from Bradbourne House, East Malling, West Malling, Kent, ME19 6DZ. Accordingly, the company has taken advantage of the exemptions available not to make disclosures concerning group related party transactions.