

Society Number: 20341R

UNITED OILSEED PRODUCERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

UNITED OILSEED PRODUCERS LIMITED

CONTENTS

	Page(s)
Society Information	1
Strategic Report	2 - 4
Directors' Report	5 - 7
Independent Auditors' Report to the Members of United Oilseeds Producers Limited	8 - 10
Group Income and Expenditure Account	11
Group Statement of Comprehensive Income	12
Society's Income and Expenditure Account	10
Group Balance Sheet	14
Society's Balance Sheet	15
Group Statement of Changes in Equity	16 - 17
Society's Statement of Changes in Equity	18
Group Statement of Cash Flows	19
Notes to the Financial Statements	20 - 37

UNITED OILSEED PRODUCERS LIMITED

SOCIETY INFORMATION

Directors	T Stuart (Chairman) A T Cragg R A Hall B J Jackson C S McGregor R J Sullivan
Secretary	H Casey
Society number	20341R
Registered office	St James House Gains Lane Devizes Wiltshire SN10 1FB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR
Bankers	HSBC plc 45 Market Place Devizes Wiltshire SN10 1HZ

UNITED OILSEED PRODUCERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present the Strategic Report of United Oilseeds Producers Limited (the 'Group') for the year ended 30 June 2021.

Review of the business

The surplus for the financial year amounted to £983,427 (2020: £526,157). Total shareholders' funds at 30 June 2021 were £12,988,491 (2020: £11,907,247).

The directors are pleased with the performance of the business and believe that it is well placed to take advantage of the future business opportunities.

Whilst this financial year saw the Covid pandemic, Britain's final exit from the EU and the smallest UK rapeseed area planted in the last decade, the Co-operative grew its profits by 34 per cent and its turnover by 21 per cent, which is a highly impressive achievement. The Co-operative also had to cope with the major ADM rapeseed crushing plant at Erith being shut down for four months.

From a high point of 758,000 ha in 2012, the harvested area of rapeseed in the UK continued to decline. In 2019, the crop area harvested was 501,000 ha and in 2020, United Oilseeds' own grower survey showed the harvested area was down over 33% to 335,000 ha.

Yields for the 2020 harvest were again below average, at 2.8 tonnes per hectare.

United Oilseeds' strong financial performance is reflected by an increase in market share of the UK rapeseed certified seed market - and its share of UK rapeseed crop trading – which have both risen to 30 per cent.

United Oilseeds has seen significant growth in the other break crops it trades, with beans, linseed, oats and peas now accounting for 20% of the total crop volume traded.

Considerable market share was captured from competitors in the seed provision and crop trading arenas and the Board believes this was due to a combination of factors:

- The strength and commercial acuity of United Oilseeds overall product and service offering
- A sales portfolio of top seed varieties, including two key varieties exclusive to United Oilseeds, Acacia and Aurelia
- Prompt and efficient on-farm collection and movement to storage of Members' crops during the vital harvest period
- The impressive performance of our Crop Marketing Pools
- Added value service offerings such as default-free Produce of Area Contracts and no surcharges for Cap Loads
- Substantial growth achieved in the traded volumes of beans, linseed, oats and peas
- A continuous focus on customer service
- The performance of the Co-operative's Head office and sales staff and their communications with our key internal and external stakeholders
- Strong, close and established relationships with seed breeders, farmers groups, and core suppliers
- The UK's ongoing high demand for rapeseed
- Healthy cash reserves, which at 30th June 2021 stood at £9,663m.

Key performance indicators

Oilseed rape sales volumes decreased to 323,163 metric tonnes (2020: 393,812 metric tonnes).

The directors monitor the profitability of the business. The measure used is surplus before tax and other comprehensive income, which was £1,187,484 (2020: £614,303) for the year.

The directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

UNITED OILSEED PRODUCERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Principal risks and uncertainties

Whilst the UK's final exit from the EU occurred mid financial year, the Group has not been significantly impacted by Brexit in the current year. Sales to and purchases from the EU saw minor disruption in January, however the main risk continues to be currency movements. Longer term movements in price of Sterling and the Euro will impact the profitability of trade with the EU. Furthermore, the UK government has announced that full border controls on imports will not be in force until 1 January 2022. Whilst the directors currently do not believe that this will significantly impact the Group, the impact is not predictable.

Weather conditions are also a primary risk in the agri-business industry. Oilseed rape volumes, quality and ultimately, the financial performance of the Company, are highly dependent upon weather conditions throughout the crop production cycle. Planted areas have declined for several years in a row due to a combination of poor weather and diseases such as flea beetle, with 2020 being the smallest area planted in the last decade. Whilst this decline has partially reversed in 2021, yields and areas will always remain at risk from adverse weather and climate conditions.

There has not been a significant impact on United Oilseeds due to Covid-19 in the year. Operationally, staff are able to work from home if required, and the directors have taken steps to ensure United Oilseeds facilities are Covid-19 secure. Financially, much of the volatility Covid-19 caused in world markets and commodity prices was limited to the beginning of the financial year, and the impact to the Group has been limited. At the time of writing, due to the uncertainty of the situation, the directors are unable to quantify the future impact that Covid-19 may have on United Oilseeds. However, the directors are monitoring the situation on an ongoing basis, and currently do not believe that Covid-19 will impact the going concern status of United Oilseeds for the foreseeable future.

Future developments

United Oilseeds market share of certified seed sales has continued to increase, currently sitting at 30%, and the Society continues to make growth in the marketing of break crops.

The Group currently has a long-term supply contract with a significant UK crusher, with large tonnages secured until 2022. This is in the process of being renewed.

UNITED OILSEED PRODUCERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Directors' statement of compliance with duty to promote the success of the Group

The following statement by the directors describes how they have accounted for the matters set out in section 172 (1) of the Companies Act 2006, as part of their duty to promote the success of the Group.

The Directors acknowledge that one of the primary responsibilities of the Board is to ensure the strategy of the United Oilseeds group achieves long-term success and generates sustainable returns for its members, key to which is maintaining engagement with stakeholders, considering the long-term implications of decisions made, and acting to maintain the highest standards of conduct. This duty has been central to the activities of the Board during the year, as discussed below.

Shareholders

The Society is owned by the members, and therefore the directors ensure that the strategy and practices of the Group are fully aligned with the interests of its members, where appropriate. The key decision in this regard is assessing the level of surplus that can be returned to members. In making this assessment, the directors ensure that sufficient reserves are left in the Society to protect its long-term future.

Employees

United Oilseeds is committed to providing an inclusive working environment and providing ongoing training and career development opportunities. The Board's remuneration committee meets regularly to discuss employee engagement and rewards.

Environment

The Directors recognise that the impact of climate change could be significant on United Oilseeds and its members, as yields are heavily dependent on weather conditions in the year. As such, the directors have taken steps to reduce carbon emissions of the Group where possible, such as with the use of energy saving measures in the facilities, such as energy efficient lighting, and encouraging the reduction in car usage wherever possible, for example by the use of video conference calling. In the prior year, lockdowns due to COVID-19 significantly reduced the amount of car travel and office energy usage, so whilst emissions and usage have increased in the year, the Directors believe that this represents a return to business as usual, rather than a like for like increase. In the year, United Oilseeds staff produced an estimated 104 metric tonnes of carbon dioxide from car usage (2020: 47 MT), based on the listed emissions of the respective vehicles. Furthermore, energy usage from the facilities totalled 77,843 kilowatt hours in the year (7 tonnes CO₂) (2020: 59,725 kWh, 5 tonnes CO₂), based on metered readings. The directors have not disclosed carbon emissions from the transport of commodity loads, as United Oilseeds does not control the vehicles used or routes taken. Facility energy usage from gas and electricity is taken directly from metered bills from the Group's energy suppliers. Emissions from car usage has been calculated indirectly from the quantity of fuel purchased, and the car manufacturer quoted fuel efficiency and carbon dioxide emission figures. The Group's intensity figures for the year are 0.86 tCO₂ per £m revenue (2020: 0.54) and 3.6 tCO₂ per employee (2020: 1.92).

Suppliers

A number of the Group's suppliers are also members of the Society. The Group is committed to improving the experience of all of its suppliers and generating long-term sustainable returns for its members. Material contracts are subject to rigorous cost management and review by the Board.

This report was approved by the board and signed on its behalf by:



T Stuart
Director

Date: 27 January 2022

UNITED OILSEED PRODUCERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and the audited financial statements of United Oilseed Producers Limited (the "Society") and the audited consolidated financial statements of the United Oilseed Producers Limited and its subsidiaries (the "Group") for the year ended 30 June 2021.

Principal activity

The principal object of the Society consists of the marketing of its members' oilseed, pulses and oat crop.

The Society has an agreement with United Oilseeds Marketing Limited, a UK registered company and wholly owned subsidiary, with the effect that, members' contracts are managed and executed by United Oilseeds Marketing Limited. All oilseed and protein crop trading and accounting is carried out through United Oilseeds Marketing Limited.

Results and dividends

The surplus for the financial year amounted to £983,427 (2020: £526,157).

A distribution of £320,000 was declared and paid during the year relating to financial year ended 30 June 2021 (2020: £404,000). In addition, no dividends (2020: £Nil) were paid during the year relating to prior years.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

T Stuart
A T Cragg
R A Hall
B J Jackson
C S McGregor
R J Sullivan

Going concern

The Group meets its day-to-day working capital requirement through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. The Society and its Group therefore continue to adopt the going concern basis in preparing its financial statements.

As set out in the Strategic Report, the directors have considered the impact of Covid-19 on the going concern status of the Society, and at the time of writing, do not believe that it will materially impact the Group.

Future developments

Future developments are disclosed in the Strategic Report on page 3.

Streamline Energy and Carbon Report (SECR)

Streamline Energy and Carbon Reporting are disclosed in the Strategic Report on page 4.

Directors' Indemnities

The Group maintains liability insurance for its directors and officers. Throughout the year to 30 June 2021, and also at the date of approval of the financial statements, the Group has also provided indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

UNITED OILSEED PRODUCERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Charitable donations

During the financial year the Group made non-political charitable donations amounting to £654 (2020: £525).

Financial risk management

The Group's operations expose it to a variety of risks that include price risk, credit risk and liquidity and cash flow risk. Given the size of the Group the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. Management implements the policies set by the Board of directors.

Price risk

The Group is exposed to price risk in its trading. Its trading employees manage this exposure through the various pool arrangements, regular monitoring of Matif prices and internal position reporting. The Group uses oilseed rape futures along with other relevant commodity futures and foreign currency forward contracts, to hedge its exposure to price risk.

Credit risk

The Group is exposed to credit risk on its debtor and cash balances. This is mitigated by relationships with long-term customers, credit control and netting arrangements with farmer customers. The Group holds a separate non distributable reserve to provide cover against the risk of any potential future bad debts.

Only banks with an appropriate credit rating are used for the Group's cash balances.

Liquidity and cash flow risk

Liquidity and cash flow risk are managed by the preparation of budgets and monthly management accounts and maintaining banking facilities with a major UK bank that are considered sufficient to meet the cash flow needs of the Group. The facilities are reviewed on an annual basis.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Co-operative and Community Benefit Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent Society financial statements in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") applicable law (United Kingdom Generally Accepted Accounting Practice). Under Co-operative and Community Benefit Society 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 the Society and of the surplus or deficit of the Group and Society for that period. In preparing the 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and the Group and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNITED OILSEED PRODUCERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

Statement of 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 Society and the Group'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 Society and the Group's auditors are aware of that information.

Independent auditors

Under section 83(1) of the Co-operative and Community Benefit Societies Act 2014, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the FCA, whichever is earlier.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink that reads "Troy Stuart". The signature is written in a cursive, flowing style.

T Stuart
Director

Date: 27 January 2022

Report on the audit of the financial statements

Opinion

In our opinion, United Oilseed Producers Limited's Group financial statements and Society's financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and the Society's affairs as at 30 June 2021 and of their income and expenditure and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Group and Society's Balance Sheets as at 30 June 2021; and the Group and Society's Income and Expenditure Accounts, the Group Statement of Comprehensive Income, the Group Statement of Cash Flows, and the Group and Society's Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Society's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OILSEED PRODUCERS LIMITED
(CONTINUED)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 Group's and the Society'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 Society or to cease operations, or have no realistic alternative but to do so.

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.

Based on our understanding of the Society/industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Co-operative and Community Benefit Societies Act 2014/ the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflation of revenue via the posting of inappropriate journal entries. Audit procedures performed included:

- identifying and testing journal entries, in particular, those with unusual account combinations to revenue or cash;
- reviewing Board meeting minutes and making inquiries with management; and
- designing audit procedures to incorporate unpredictability in the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Society as a body in accordance with Section 87 (2) and Section 98(7) of the Co-operative and Community Benefit Societies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Co-operative and Community Benefit Societies Act 2014 exception reporting

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- a satisfactory system of control over the Society's transactions has not been maintained; or
- we have not received all the information and explanations we require for our audit; or
- proper books of account have not been kept by the Society; or
- the Society's financial statements are not in agreement with the books of account.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
Date: 28 January 2022

UNITED OILSEED PRODUCERS LIMITED

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Turnover	4	129,144,321	96,126,251
Cost of sales		(124,824,676)	(92,425,747)
Trading surplus		4,319,645	3,700,504
Administrative expenses		(2,909,129)	(2,825,888)
Operating surplus	10	1,410,516	874,616
Interest receivable and similar income	8	106,671	163,966
Interest payable and similar expenses	9	(9,703)	(20,279)
Distribution of surplus		(320,000)	(404,000)
Surplus before taxation		1,187,484	614,303
Tax on surplus	11	(204,057)	(88,146)
Surplus for the financial year		983,427	526,157
Surplus for the financial year attributable to:			
Owners of the parent		983,427	526,157

All activities relate to continuing operations

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

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

	2021	2020
	£	£
Surplus for the financial year	983,427	526,157
Other comprehensive income		
Changes in fair value of cash flow hedges	116,747	16,637
Total tax on components of other comprehensive income	(19,787)	(3,223)
Other comprehensive income for the financial year, net of tax	96,960	13,414
Total comprehensive income for the financial year	1,080,387	539,571

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

**SOCIETY'S INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	£	£
Dividend received from subsidiary	320,000	404,000
Distribution of surplus	(320,000)	(404,000)
Interest expense	(49)	(4)
	<hr/>	<hr/>
Deficit before taxation	(49)	(4)
Tax on deficit	-	-
	<hr/>	<hr/>
Deficit for the financial year	(49)	(4)
	<hr/> <hr/>	<hr/> <hr/>

All activities relate to continuing operations.

The Society has no other comprehensive income other than the result stated above and therefore no separate Statement of Total Comprehensive Income has been presented.

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED
REGISTERED NUMBER: IP20341R

GROUP BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	95,914	296,847
Tangible assets	13	580,519	576,630
Investments	14	248,010	301,950
		<u>924,443</u>	<u>1,175,427</u>
Current assets			
Stocks	15	9,845,825	8,885,782
Debtors	16	12,226,527	12,851,158
Cash at bank and in hand	17	9,662,580	6,671,538
		<u>31,734,932</u>	<u>28,408,478</u>
Creditors: amounts falling due within one year	18	(19,648,721)	(17,676,701)
Net current assets		<u>12,086,211</u>	<u>10,731,777</u>
Total assets less current liabilities		<u>13,010,654</u>	<u>11,907,204</u>
Provisions for liabilities			
Deferred taxation	20	(22,163)	-
Net assets		<u><u>12,988,491</u></u>	<u><u>11,907,204</u></u>
Capital and reserves			
Active shares	21	34,620	33,765
Forfeited shares	21, 22	99,055	99,010
Capital reserve	22	5,434	5,434
Cash flow hedge reserve	22	(102,326)	(199,286)
Other reserves	22	250,000	250,000
Profit and loss account	22	12,701,708	11,718,281
Total members' funds		<u><u>12,988,491</u></u>	<u><u>11,907,204</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Troy Stuart

Director

R. Hall

R A Hall
Director

Helen Casey

H Casey
Secretary

Date: 27 January 2022

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED
REGISTERED NUMBER: IP20341R

SOCIETY'S BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	918,637	918,637
Current assets			
Cash at bank and in hand	17	41,378	38,687
Creditors: amounts falling due within one year	18	(296,554)	(294,714)
Net current liabilities		(255,176)	(256,027)
Total assets less current liabilities		663,461	662,610
Capital and reserves			
Active shares	21	34,620	33,765
Forfeited shares	21, 22	99,055	99,010
Profit and loss account	22	529,786	529,835
Total members' (deficit)/funds		663,461	662,610

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Troy Stuart

R. Hall

Helen Casey

T Stuart
Director

R A Hall
Director

H Casey
Secretary

Date:

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

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

	Active shares	Forfeited shares	Capital reserve	Cash flow hedge reserve	Other reserve	Profit and loss account	Total members' funds
	£	£	£	£	£	£	£
At 1 July 2020	33,765	99,010	5,434	(199,286)	250,000	11,718,281	11,907,204
Comprehensive income for the financial year							
Surplus for the financial year	-	-	-	-	-	983,427	983,427
Changes in fair value of cash flow hedges	-	-	-	116,747	-	-	116,747
Tax on other components of comprehensive income	-	-	-	(19,787)	-	-	(19,787)
Total comprehensive income for the financial year	-	-	-	96,960	-	983,427	1,080,387
Contributions by and distributions to owners							
New share capital subscribed	900	-	-	-	-	-	900
Forfeited shares	(45)	45	-	-	-	-	-
Total transactions with owners	855	45	-	-	-	-	900
At 30 June 2021	34,620	99,055	5,434	(102,326)	250,000	12,701,708	12,988,491

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Active shares	Forfeited shares	Capital reserve	Cash flow hedge reserve	Other reserve	Profit and loss account	Total members' funds
	£	£	£	£	£	£	£
At 1 July 2019	32,745	98,995	5,434	(212,657)	250,000	11,192,134	11,366,651
Comprehensive income for the financial year							
Surplus for the financial year	-	-	-	-	-	526,157	526,157
Changes in fair value of cash flow hedges	-	-	-	16,637	-	-	16,637
Tax on components of other comprehensive income	-	-	-	(3,223)	-	-	(3,223)
Total comprehensive income for the financial year	-	-	-	13,414	-	526,157	539,571
Contributions by and distributions to owners							
New share capital subscribed	1,035	-	-	-	-	-	1,035
Other movement	-	-	-	-	-	(10)	(10)
Forfeited shares	(15)	15	-	-	-	-	-
Total transactions with owners	1,020	15	-	-	-	(10)	1,025
At 30 June 2020	33,765	99,010	5,434	(199,286)	250,000	11,718,281	11,907,247

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

SOCIETY'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Active shares £	Forfeited shares £	Profit and loss account £	Total members' (deficit)/funds £
At 1 July 2019	32,745	98,995	529,839	661,579
Comprehensive expense for the financial year				
Deficit for the financial year	-	-	(4)	(4)
Total comprehensive expense for the financial year	-	-	(4)	(4)
Contributions by and distributions to owners				
New share capital subscribed	1,035	-	-	1,035
Forfeited shares	(15)	15	-	-
Total transactions with owners	1,020	15	-	1,035
At 30 June 2020 and 1 July 2020	33,765	99,010	529,835	662,610
Comprehensive expense for the financial year				
Deficit for the financial year	-	-	(49)	(49)
Total comprehensive expense for the financial year	-	-	(49)	(49)
Contributions by and distributions to owners				
New share capital subscribed	900	-	-	900
Forfeited shares	(45)	45	-	-
At 30 June 2021	34,620	99,055	529,786	663,461

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	2021 £	2020 £
Cash flows from operating activities		
Surplus for the financial year	983,427	526,157
Adjustments for:		
Amortisation of intangible assets	208,440	282,538
Depreciation of tangible assets	12,927	11,384
Interest expense	9,703	20,279
Interest income	(106,671)	(163,966)
Taxation charge	204,057	88,146
Increase in stocks	(960,043)	(5,493,796)
Decrease in debtors	624,631	1,476,360
Increase in creditors	2,040,183	21,592
Corporation tax paid	(153,157)	(321,521)
Distribution of surplus	320,000	404,000
Net cash generated from/(utilised in) operating activities	3,183,497	(3,148,827)
Cash flows from investing activities		
Purchase of intangible assets	(7,507)	(14,699)
Purchase of tangible assets	(16,816)	(21,039)
Store loans recovered during the year	54,000	52,396
Interest received	106,671	163,966
Net cash from investing activities	136,348	180,624
Cash flows from financing activities		
Interest paid	(9,703)	(20,279)
Distribution paid to members	(320,000)	(404,000)
New member share capital subscribed	900	1,035
Net cash used in financing activities	(328,803)	(423,244)
Net increase/(decrease) in cash and cash equivalents	2,991,042	(3,391,447)
Cash and cash equivalents at beginning of financial year	6,671,538	10,062,985
Cash and cash equivalents at the end of financial year (Note 17)	9,662,580	6,671,538
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	9,662,580	6,671,538

The notes on pages 20 to 37 form part of these financial statements.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

The principal activity of United Oilseed Producers Limited (the "Society") is that of a commodity trader and seed merchant.

The Society is a registered society under the Co-operative and Community Benefit Societies Act 2014 and is domiciled in England.

The address of the registered office is:

St James House
Gains lane
Devizes
Wiltshire
SN10 1FB

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified by the recognition of derivative financial instruments at fair value, and in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 and applicable accounting standards in the United Kingdom, comprising FRS 102. The principal accounting policies which have been applied consistently are set out below.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Exemptions for qualifying entities under FRS 102

The Society has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and includes the Society's cash flows in its own consolidated financial statements.

The Society have taken advantage of the exemption, under FRS 102 paragraphs 11.39 - 11.48A and 12.26 - 12.29, from certain financial instruments disclosures due to equivalent disclosures being provided in its own consolidated financial statements.

The Society has taken advantage of the exemption, under FRS 102 paragraph 33.7, from disclosing the total compensation of key management personnel, on the basis that it is a qualifying entity and includes the Society's key management compensation in its own consolidated financial statements.

2.3 Related party transactions

The Society has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same Group that are wholly owned.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Basis of consolidation

The Group financial statements consolidate the financial statements of the Society and its subsidiaries. All companies within the Group apply the same accounting policies consistently and prepare their financial statements to the same date. Profits and losses on intra-group transactions are eliminated on consolidation.

The consolidated financial statements have been prepared using acquisition accounting.

2.5 Going concern

The Group meets its day-to-day working capital requirement through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. The Society and its Group therefore continue to adopt the going concern basis in preparing its financial statements.

As set out in the Strategic Report, the directors have considered the impact of Covid-19 on the going concern status of the Society, and at the time of writing, do not believe that it will materially impact the Group.

2.6 Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. It also includes commissions' receivable on transactions undertaken on behalf of the commodity pools. Turnover is recognised when the risks and rewards of ownership of the goods are substantially passed to the customer being either delivery to the customer or when the customer confirms acceptance of goods held at third party storage locations.

2.7 Intangible assets and amortisation

Intangible assets include goodwill and computer software assets.

Goodwill is the difference between amounts paid on acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Income and Expenditure Account over its estimated economic life. Goodwill is amortised at 15% per annum on a straight line basis.

The Group evaluate the carrying value of goodwill in each financial year to determine if there has been impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Income and Expenditure account.

Software assets are stated at cost less accumulated amortisation. Cost includes original purchase cost plus the cost of third parties and internal employee costs that are directly associated with developing the software assets. Amortisation is recognised to write off the cost of software assets over 5 years.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.8 Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets so as to write off the cost less the estimated residual value of the relevant assets over their anticipated useful lives at the following annual rates on a straight line basis:

Freehold property	- not depreciated
Office equipment	- between 15% and 33%

Freehold property has not been depreciated as in the opinion of the directors the residual value is not materially different from the carrying value and hence any depreciation is immaterial.

2.9 Investments

Investments are payments made to storage facilities for the long-term use of the location.

Investments are initially recorded at cost. The full cost of the investment is repayable by the storage provider at the end of the term of the contract. The investments are reviewed periodically for impairment. An impairment is considered to have occurred where the amount repayable by the storage location is lower than the carrying value of the investment.

2.10 Stocks

Stocks comprise commodities for resale which are valued at the lower of cost and net realisable value and measured on a weighted average basis. Cost includes all direct expenditure incurred in bringing the product to its present location and condition. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Where necessary, provision is made for obsolete, slow moving and defective stocks.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Group Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.13 Derivative financial instruments

Forward commodity contracts and foreign exchange used in the business are derivative financial instruments. Such contracts are recognised at fair value with changes in fair value recognised in the profit and loss account unless hedge accounting is applied. Realised gains and losses are charged against cost of sales together with the underlying purchase being hedged. Unrealised gains and losses on open contracts are presented separately within operating profit.

Unrealised gains and losses on contracts qualifying as cash flow hedges (which typically comprise the forward foreign exchange contracts) are recognised initially in a cash flow hedge reserve and are subsequently recycled to the income statement at the same time the hedged item is recognised.

Unrealised gains and losses on contracts qualifying as fair value hedges (which typically comprise commodity futures) are recognised in the Income and Expenditure Account account together with the offsetting unrealised gain or loss on the hedged item being the future grain sale or purchase commitment.

Although credited gains and losses on contracts not qualifying for hedge accounting are recognised in the Income and Expenditure Account, the directors do not view them as being part of the underlying profitability of the Group as they relate to future periods. The directors therefore show these gains and losses separately and present an adjusted profit measure which forms the basis for decisions around setting the level of dividends to be paid.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Differences arising are dealt with in the Income and Expenditure account.

2.16 Finance costs

Finance costs are charged to the Group Income and Expenditure Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Operating leases

Rentals paid under operating leases are charged to the Group Income and Expenditure Account on a straight line basis over the lease term.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Group Income and Expenditure account when they fall due. Amounts not paid are shown in accruals as a liability in the Group Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Group Income and Expenditure Account using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Group Income and Expenditure Account in the year in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 the Group Income and Expenditure Account in the year that the Group 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.

2.22 Current and deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.23 Distributions

Distributions to members are shown within surplus on ordinary activities before taxation and are tax deductible. Distributions are paid to members based on their levels of trade with the Society's trading subsidiary.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future that can impact on balances recognised in the financial statements. Judgements and estimates are based on historical experience and various other factors that are considered reasonable in the circumstances but may differ from subsequent actual results.

The critical accounting judgements that are considered to be significant in the context of these financial statements include:

1. Revenue recognition

Sales made through the Group's Pool arrangements are treated on a net basis with only the commission earned by the Group being recognised in these financial statements. The directors take the view that the Group is acting as an agent for its members, passing on market prices achieved, less commission earned. The gross value of transactions traded through Pool arrangements amount to £44,124,486 (2020: £47,361,887).

2. Derivative financial instruments

The Group uses derivative financial instruments in the form of currency forward contracts and commodity futures to hedge its exposure to currency and price risk on forecast and contracted future sales and purchases. In order to apply hedge accounting, the directors have assessed that the hedges are expected to be effective and that they match with expected future sales and purchases.

The estimate that is considered significant in the context of these financial statements is:

1. Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in useful economic lives and residual values, which are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying value of intangible assets and note 2.7 for the amortisation rate used.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Oilseed rape and other seed sales	128,680,546	95,357,872
Commission on pool sales	463,775	768,379
	<u>129,144,321</u>	<u>96,126,251</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	103,051,120	69,150,271
Rest of Europe	26,093,201	26,975,980
	<u>129,144,321</u>	<u>96,126,251</u>

5. Auditors' remuneration

	2021 £	2020 £
Audit of the Society's subsidiaries	<u>38,500</u>	<u>35,850</u>
Fees payable to the Group's auditors in respect of:		
Taxation compliance services	16,000	21,194
All other services	6,800	6,200
	<u>22,800</u>	<u>27,394</u>

Auditors' remuneration for audit services to the Society was borne by a subsidiary company.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	1,951,317	1,783,858
Social security costs	238,870	232,256
Cost of defined contribution scheme	110,868	113,088
	<u>2,301,055</u>	<u>2,129,202</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 Number	2020 Number
Trading	14	13
Administration	19	17
	<u>33</u>	<u>30</u>

The Society does not have any employees (2020: none).

7. Directors' remuneration

	2021 £	2020 £
Aggregate directors' remuneration	<u>102,395</u>	<u>100,263</u>

8. Interest receivable and similar income

	2021 £	2020 £
On short term cash deposits and member advances	<u>106,671</u>	<u>163,966</u>

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

9. Interest payable and similar expenses

	2021 £	2020 £
On bank overdrafts	<u>9,703</u>	<u>20,279</u>

10. Operating surplus before taxation

Surplus before taxation is stated after charging:

	2021 £	2020 £
Depreciation of tangible assets	12,927	11,384
Amortisation of intangible assets	208,440	282,538
Operating lease payments in respect of plant and machinery	<u>112,115</u>	<u>116,125</u>

11. Tax on surplus

	2021 £	2020 £
Corporation tax		
Current tax on surplus for the financial year	218,938	158,279
Adjustments in respect of prior years	(28,418)	(40,149)
Total current tax	<u>190,520</u>	<u>118,130</u>
Deferred tax		
Origination and reversal of timing differences	5,519	(35,279)
Effect of changes in tax rates	8,018	5,295
Total deferred tax	<u>13,537</u>	<u>(29,984)</u>
Total tax	<u>204,057</u>	<u>88,146</u>

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

11. Tax on surplus (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
Surplus before taxation	<u>1,187,484</u>	<u>614,303</u>
Surplus before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	225,622	116,717
Effects of:		
Expenses not deductible for tax purposes	1,372	3,366
Adjustments in respect of prior years	(28,418)	(40,149)
Change in tax rate	8,018	5,303
Other timing differences	(2,537)	2,909
Total tax charge for the financial year	<u>204,057</u>	<u>88,146</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% has been substantively enacted at the Balance Sheet date, its effects are included in these financial statements. The effect of this change is not material to the financial statements.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

12. Intangible assets

Group

	Computer software £	Goodwill £	Total £
Cost			
At 1 July 2020	1,982,996	236,984	2,219,980
Additions	7,507	-	7,507
At 30 June 2021	<u>1,990,503</u>	<u>236,984</u>	<u>2,227,487</u>
Accumulated amortisation			
At 1 July 2020	1,700,922	222,211	1,923,133
Charge for the year	193,667	14,773	208,440
At 30 June 2021	<u>1,894,589</u>	<u>236,984</u>	<u>2,131,573</u>
Net book value			
At 30 June 2021	<u>95,914</u>	-	<u>95,914</u>
At 30 June 2020	<u>282,074</u>	<u>14,773</u>	<u>296,847</u>

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

13. Tangible assets

Group

	Freehold property £	Office equipment £	Total £
Cost			
At 1 July 2020	542,820	361,664	904,484
Additions	-	16,816	16,816
At 30 June 2021	<u>542,820</u>	<u>378,480</u>	<u>921,300</u>
Accumulated depreciation			
At 1 July 2020	-	327,854	327,854
Charge for the year	-	12,927	12,927
At 30 June 2021	<u>-</u>	<u>340,781</u>	<u>340,781</u>
Net book value			
At 30 June 2021	<u>542,820</u>	<u>37,699</u>	<u>580,519</u>
At 30 June 2020	<u>542,820</u>	<u>33,810</u>	<u>576,630</u>

The freehold property is subject to a fixed charge.

The Society does not hold any tangible assets (2020: none).

14. Investments

Group

	Investments £
Cost	
At 1 July 2020	301,950
Disposals	(53,940)
At 30 June 2021	<u>248,010</u>

Investments comprise interest free loans to grain stores to secure storage facilities and have no fixed date of repayment. The directors are satisfied that the investments are recoverable at their stated net book amounts.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14. Investments (continued)

Society

	Investments in subsidiary companies £	Other investments £	Total £
Cost or net book value			
At 1 July 2020	911,126	7,511	918,637
At 30 June 2021	<u>911,126</u>	<u>7,511</u>	<u>918,637</u>

The subsidiary undertakings are:

United Oilseeds Marketing Limited, a company incorporated and registered in the UK. The nature of its business is that of commodity merchants and brokers. The Society owned 100% of the issued share capital as at the Balance Sheet date.

Hubbards Seed Limited, a company registered in the UK the nature of the business is that of a seed merchant. The Society owned 100% of the issued share capital as at the Balance Sheet date.

United Agriculture Limited, a company registered in the UK. The company is dormant. The Society owned 100% of the issued share capital as at the Balance Sheet date.

Other investments comprise of interest free loans to grain stores to secure storage facilities and have no fixed date of repayment.

Companies Act 2006 - Section 479A Disclosure

The following subsidiary is exempt from the requirement relating to audit of its financial statements under S479A of the Companies Act 2006 by virtue of an unconditional guarantee given by the Society of the company's liabilities as at 30 June 2020:

- Hubbards Seeds Limited (Reg number: 07914940)

15. Stocks

	Group 2021 £	Group 2020 £
Finished goods and goods for resale	<u>9,845,825</u>	<u>8,885,782</u>

UNITED OILSEED PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. Debtors

	Group 2021 £	Group 2020 £
Trade debtors	11,197,656	11,548,575
Other debtors and prepayments	262,596	1,033,321
Other taxation and social security	106,437	228,787
Deferred taxation (Note 20)	-	11,160
Derivative financial instruments (Note 19)	659,838	-
Forward grain commitments	-	29,315
	<u>12,226,527</u>	<u>12,851,158</u>

Amounts owed by group undertakings are unsecured and carry no interest.

17. Cash at bank and in hand

	Group 2021 £	Group 2020 £	Society 2021 £	Society 2020 £
Cash at bank and in hand	<u>9,662,580</u>	<u>6,671,538</u>	<u>41,378</u>	<u>38,687</u>

18. Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Society 2021 £	Society 2020 £
Trade creditors	16,380,997	16,370,179	-	-
Amounts owed to group undertakings	-	-	296,554	294,714
Corporation tax	141,350	104,553	-	-
Forward grain commitment	659,838	-	-	-
Other creditors	77,567	158,852	-	-
Accruals and deferred income	2,349,066	857,252	-	-
Derivative financial instruments (Note 19)	39,903	185,965	-	-
	<u>19,648,721</u>	<u>17,676,701</u>	<u>296,554</u>	<u>294,714</u>

Amounts due to group undertakings are unsecured, carry no interest and are repayable on demand.

UNITED OILSEED PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

19. Derivative financial instruments

	Group 2021 £	Group 2020 £
Financial assets		
Financial assets measured at fair value and held as fair value hedges		
- Derivative financial instruments	659,838	-
- Forward grain commitment	-	29,315
	<u>659,838</u>	<u>29,315</u>
Financial liabilities		
Financial liabilities measured at fair value and held as fair value hedges		
- Forward grain commitment	(659,838)	-
- Derivative financial instruments	-	(29,315)
Financial liabilities measured at fair value and held as cash flow hedges		
- Derivative financial instruments	(39,903)	(156,650)
	<u>(699,741)</u>	<u>(185,965)</u>

Derivative financial instruments

The Group enters into derivative financial instruments in the form of forward foreign currency contracts and commodity futures to mitigate foreign exchange risk and price risk on contracted and expected future sales and purchases. When these derivative financial instruments can meet the criteria for hedge accounting in FRS 102, hedge accounting is applied. This is the case for both currency and commodity contracts in the current year.

At 30 June 2021, the fair value of currency contracts held as cash flow hedges was a liability of £39,903 (2020: £156,650). The fair value of commodity contracts held as fair value hedges was an asset of £659,838 (2020: £29,315).

The commodity contracts have been designated as fair value hedges of grain sales or purchase commitments. Accordingly, the hedged commitment has also been recognised a financial liability at fair value.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

20. Deferred taxation

Group

	2021 £
At beginning of year	11,160
Charged to profit or loss	(13,537)
Charged to other comprehensive income	(19,787)
	<u>(22,164)</u>
At end of year	<u><u>(22,164)</u></u>

The deferred taxation balance is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(15,597)	(3,069)
Unrealised gains and losses on derivatives	(6,567)	14,229
	<u>(22,164)</u>	<u>11,160</u>
	<u><u>(22,164)</u></u>	<u><u>11,160</u></u>

21. Members' shares

	Active shares £	Forfeited shares £
At 1 July 2020	33,765	99,010
New issues	900	-
Forfeit shares	(45)	-
At 30 June 2021	<u>34,620</u>	<u>99,010</u>

Members' shares are split between those members who have traded with the Group in the financial year and those who have not traded but still retain a share in the Society.

Each member may hold one share in the Society. Each share has a nominal value of either £1 or £15. The shares do not have a right to any distribution. Each share entitles the member to one vote. Shares are non-transferable.

During the year, new member shares of £900 were issued (2020: £1,035). Upon cessation of membership, active shares are cancelled and forfeited and transferred to the forfeited shares account. Forfeited shares are transferred to active shares when a previous member reactivates its account with the Society. During the financial year, no shares were transferred from the forfeited share capital account.

UNITED OILSEED PRODUCERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22. Reserves

Capital reserve

The capital redemption reserve is a non-distributable reserve amounting to the repurchase of shares in the Group's subsidiary.

Cash flow hedge reserve

The cash hedge reserve relates to unrealised gains and losses on foreign exchange futures contracts which qualify as effective hedges of future sales and purchases, net of related deferred tax.

Other reserves

The other reserve consists of a balance set aside from the Income and Expenditure Account to cover the risk of potential future bad debts.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group.

23. Pension commitments

Contributions are made on behalf of the employees to their personal pension plan. Contributions are charged in the accounts as incurred. Total pension costs charged in the year were £110,868 (2020: £113,088).

24. Distribution

Distributions declared and paid in the year	320,000	404,000
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25. Commitments under operating leases

At 30 June the Group had future minimum lease payments due under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	67,092	69,064
Later than 1 year and not later than 5 years	121,650	121,650
	188,742	190,714

The Society has no commitments (2020: none).

UNITED OILSEED PRODUCERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

26. Related party transactions

Advantage has been taken of the exemption from disclosing transactions and balances with other group companies as permitted by the exemption disclosed in note 2.2.

Directors enter into transactions with the Group, which are at arm's length and on the same terms as are available to other customers with a similar size of enterprise. These are summarised as follows for the year ended 30 June 2021:

	Sales value £	Purchases value £	Balance owed (to)/from at 30 June 2021 £
Interested director			
T Stuart	6,473	429,235	-
R Hall	6,600	13,742	-
A Cragg	870	149,757	-
C McGregor	26,540	1,879,046	(640,154)
B Jackson	48,189	556,715	-
	<u>6,473</u>	<u>429,235</u>	<u>-</u>

Information relating to the year ended 30 June 2020:

	Sales value £	Purchases value £	Balance owed (to)/from at 30 June 2020 £
Interested director			
T Stuart	7,570	205,564	-
R Hall	12,982	136,625	(13,294)
A Cragg	8,040	178,100	(29,814)
T Westgarth	29,577	445,744	(40,654)
C McGregor	24,259	705,434	(148,381)
B Jackson	19,857	521,274	(80,132)
	<u>19,857</u>	<u>521,274</u>	<u>(80,132)</u>

27. Ultimate controlling party

The Society is ultimately controlled by its members who each have equal voting rights.