



**KINDLING FARM LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**



Third Sector
Accountancy Ltd

Kindling Farm Limited
Directors' Report and Financial Statements
For The Year Ended 31 March 2022

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Kindling Farm Limited
Society Information
For The Year Ended 31 March 2022

Directors

Stuart Jones
Helen Woodcock
Christopher Walsh
Abigail Baguley

Secretary

Christopher Walsh

Society Number

7283

Registered Office

Bridge 5 Mill
22A Beswick Street
Ancoats
Manchester
M4 7HR

Accountants

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

Kindling Farm Limited
Society No. 7283
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.

Statement of Directors' Responsibilities

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

Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under 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 Society and of the profit or loss of the Society for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity

The objectives of Kindling Farm Limited are to own and manage land in a not-for-profit manner for the benefit of the community and in particular to:

1. Promote sustainable land use by becoming a model stock-free agro-ecological farm, embedded within its community.
2. Increase consumption of local, seasonal and directly traded goods through alternative local distribution systems.
3. Strengthen local economies and establish land-based livelihoods through the support and creation of sustainable enterprises by providing facilities, resources, advice, training, services and trading opportunities.
4. Support change makers by providing training, inspiration and resources to support people to create the change they want to see.
5. Foster symbiotic relationships between urban and rural partners to nurture the exchange of services, resources, goods and ideas.
6. Support local communities by providing training and volunteering opportunities to improve skills, health, well-being and self-worth.
7. Provide low impact housing and other services for the benefit of the local community.
8. Promote and practice co-operative and consensual ways of working and living to become an example of community ownership and control.

Review of Business

We have visited and considered a number of farms in late 2021 and early 2022 even getting a valuation done for one of them, and we have learnt loads that is helping us with our ongoing search. A summary of each farm considered can be found later on in Chris' report, but here we wanted to explain what goes on behind the scenes to find a farm and prepare ourselves for the eventual one we want to buy.

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**Kindling Farm Limited
Directors' Report (continued)
For The Year Ended 31 March 2022**

Review of Business - continued

Since the original farm fell through, the search for a farm has been a mix of feeling like an overwhelmingly huge task and scrambling to get valuations completed to a frustratingly slow waiting game. We decided back in February 2022 that we needed to enlist the help of someone who had both the inside contacts and the capacity to actively seek out farms coming on to the market. Will Parry was recommended to us immediately by a trusted land agent who had done the valuation on Moss Side farm for us. We were told that with his knowledge, contacts and experience, if anyone could find us a farm - on or off the market - Will could.

This meant our involvement went from checking all the relevant websites as much as possible, staying in touch with local farmers and ringing round the land agents to remind them we exist, to waiting to hear from Will.

Farms have come on to the market or we have been told the owners are thinking of selling, but for various reasons (e.g. distance, no buildings and therefore potential planning issues, price), we have not gone further with any farms since April 2022.

We had a brief flurry of activity and meetings in May 2022, as the original farm owner got back in touch. He wanted to see how we were and was still interested to see if we could come to an arrangement. However, continued discussion is needed at their end.

According to Will (and other agents), the market for farm sales has been very slow. There are various opinions about why that is - from the ongoing uncertainties of the cost of living crisis and Brexit; to retiring farmers waiting to find out what the exit sum will be (and then it not being enough to sell up); to the Government's recent approach to climate change being to encourage corporations to pay farmers to plant trees; to a dominant buyer with significant resources buying up land in the region.

Interestingly, the low numbers of farms coming on the market seems to be particularly the case in the Northwest. I say interestingly, because according to Will this isn't necessarily bad. In other areas of the UK, where land is traded more regularly, it is perhaps thought of as more of a commodity and therefore will always go to the highest bidder. But here in the Northwest, farmers seem to hold on to their land more, which could be due to their relationship with their land. While that means less farms come up for sale, Will feels that the story behind Kindling Farm means that someone will want to sell to us, for our values and vision for farming.

And Will isn't the only person of this opinion. Recently as part of our plan to spread the word, we've done several interviews for the mainstream farming press, including The Farmers Mart, Arable Farming Magazine and Farmers Guardian. Being that we are not (by most standards) what is thought of as mainstream, we were slightly nervous about these encounters, especially with our aim being to appeal to a retiring farmer reading one of these publications. However, we received a surprising and genuinely positive reception.

The journalists loved not only our vision, but how they felt other farmers could benefit from what we've done and said we would be exactly what a retiring farmer would be looking for. The end of the feature in Farmers Mart (written by its founder and, according to a rural land agent we know, one of the most read publications among NW farmers), bought a real skip to our step:

"The Kindling Trust and Kindling Farm really is a huge entrepreneurial success story, as a result of both hard work on the ground and equal diligence, commitment, planning and a little daring behind the scenes. I cannot wait until Helen, Chris and the Kindling Farm team acquire the farm and begin the next stage of their development. Watch this space." Ian Wilkinson, Managing Director of The Farmers Mart

This leads me on to a hugely important part of our work to establish Kindling Farm. We have built a good strong market for organic fruit and veg in Greater Manchester over the years and our customers are crying out for us to produce more. But, as we tell the FarmStart trainees, however good a grower you are, building and maintaining customer numbers is crucial and continuous work.

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Kindling Farm Limited
Directors' Report (continued)
For The Year Ended 31 March 2022

Review of Business - continued

It's been a pretty challenging couple of years for organic food businesses. Nationally, veg box customer numbers have been shooting up and down (during lockdown and as restrictions lifted), costs have rocketed with Brexit and the cost of living crisis makes it a marketplace that not all small food businesses have survived.

Our work to develop and retain our relationships with our customers gives us a strong foundation for the farm which is as important now as ever. Our model is more than one of trading veg, our customers believe in our vision for a more sustainable food system and are part of the story and reality of how we will get there. So it is crucial that we work with them and support them where we can.

Over recent months this has included for example: working closely with Veg Box People to develop their marketing and attract new customers at their collection points; working with the University of Manchester chefs to menu plan; holding events with Open Kitchen and with Unicorn Grocers.

All of our customers and their customers are key to the future of Kindling Farm and we have taken great comfort from a recent survey of our veg box customers who overwhelmingly purchase our produce because of our commitment to sustainable farming practices and their wish to support local farmers and growers. Indeed over a quarter of our veg box customers have invested in the Farm.

Directors

The directors who held office during the year were as follows:

Stuart Jones

Helen Woodcock

Christopher Walsh

Abigail Baguley

By order of the board



Date

01 / 10 / 2022

**Kindling Farm Limited
Accountant's Report
For The Year Ended 31 March 2022**

Chartered Accountant's report to the directors on the preparation of the unaudited statutory accounts of Kindling Farm Limited For The Year Ended 31 March 2022

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, I have prepared for your approval the accounts of Kindling Farm Limited For The Year Ended 31 March 2022 which comprise the Revenue Account, the Balance Sheet and the related notes from the Society's accounting records and from information and explanations you have given to us.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the directors of Kindling Farm Limited, as a body. Our work has been undertaken solely to prepare for your approval the accounts of Kindling Farm Limited and state those matters that we have agreed to state to the directors of Kindling Farm Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kindling Farm Limited and its directors, as a body, for our work or for this report.

It is your duty to ensure that Kindling Farm Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit or loss of Kindling Farm Limited. You consider that Kindling Farm Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit of the accounts of Kindling Farm Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Signed

----- *Third Sector Accountancy Limited*

Date 03 / 10 / 2022

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

Kindling Farm Limited
Revenue Account
For The Year Ended 31 March 2022

	Notes	2022 £	2021 £
TURNOVER		15,626	12,836
GROSS PROFIT		15,626	12,836
Administrative expenses		(15,626)	(12,836)
OPERATING PROFIT AND PROFIT FOR THE FINANCIAL YEAR		-	-

The notes on page 9 form part of these financial statements.

Kindling Farm Limited
Balance Sheet
As at 31 March 2022

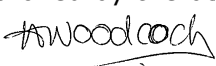
		2022		2021	
	Notes	£	£	£	£
CURRENT ASSETS					
Cash at bank and in hand		927,919		4,393	
		927,919		4,393	
Creditors: Amounts Falling Due Within One Year	3	(4,032)		(4,359)	
NET CURRENT ASSETS (LIABILITIES)		923,887			34
TOTAL ASSETS LESS CURRENT LIABILITIES		923,887			34
NET ASSETS		923,887			34
CAPITAL AND RESERVES					
Called up share capital	4	944,804			34
Share issue costs		(20,917)			-
SHAREHOLDERS' FUNDS		923,887			34


The notes on page 9 form part of these financial statements.


For the year ending 31 March 2022 the society was entitled to disapply the requirement to have its financial statements for the financial year audited. The members passed a resolution in general meeting to disapply the audit requirement, as required by S84(2) Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the board on 01 / 10 / 2022 and signed on their behalf by:


 (Helen Woodcock, Director)


 (Stuart Jones, Director)


 (Chris Walsh, Secretary)

Kindling Farm Limited
Statement of Changes in Equity
For The Year Ended 31 March 2022

	Share Capital	Share issue costs	Revenue Account	Total
	£	£	£	£
As at 1 April 2020	30	-	-	30
Profit for the year and total comprehensive income	-	-	-	-
New shares issued to members	4	-	-	4
As at 31 March 2021 and 1 April 2021	34	-	-	34
Profit for the year and total comprehensive income	-	-	-	-
New shares issued to members	945,870	-	-	945,870
Expenses on shares issued during the period	-	(20,917)	-	(20,917)
Members' shares redeemed	(1,100)	-	-	(1,100)
As at 31 March 2022	944,804	(20,917)	-	923,887

Kindling Farm Limited
Notes to the Financial Statements
For The Year Ended 31 March 2022

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

1.2. Turnover

Turnover in the period consists of grants and donations received.

1.3. Government Grant

Grants are recognised in the Revenue account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the Revenue account. Grants towards general activities of the entity over a specific period are recognised in the Revenue account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the Revenue account over the useful life of the asset concerned.

All grants in the Revenue account are recognised when all conditions for receipt have been complied with.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: NIL (2021: NIL)

3. Creditors: Amounts Falling Due Within One Year

	2022	2021
	£	£
Accruals and deferred income	4,032	4,359
	4,032	4,359

4. Share Capital

	2022	2021
Members' shares	944,804	34

5. General Information

Kindling Farm Limited is a community benefit society with limited liability, incorporated in England & Wales, registered number 7283. The registered office is Bridge 5 Mill, 22A Beswick Street, Ancoats, Manchester, M4 7HR.

Kindling Farm Limited
Detailed Revenue Account
For The Year Ended 31 March 2022

	2022		2021	
	£	£	£	£
TURNOVER				
Donations		-		2,000
Grants		15,626		10,836
		<u>15,626</u>		<u>12,836</u>
GROSS PROFIT		15,626		12,836
Administrative Expenses				
Printing	-		787	
Advertising and marketing costs	-		982	
Accountancy fees	300		200	
Consultancy fees	-		7,935	
Subscriptions	-		120	
Design	-		2,812	
Publicity and campaigning	13,226		-	
Valuation	2,100		-	
		<u>(15,626)</u>		<u>(12,836)</u>
OPERATING PROFIT AND PROFIT FOR THE FINANCIAL YEAR		<u>-</u>		<u>-</u>