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Company Registration No 01336601 (England and Wales)

DIRECT PRODUCE SUPPLIES PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

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DIRECT PRODUCE SUPPLIES PLC

COMPANY INFORMATION

Directors	P Beaumont N Laister
Secretary	P Beaumont
Company number	01336601
Registered office	4th Floor 7/10 Chandos Street London W1G 9DQ
Auditors	Simmons Gainsford LLP 7/10 Chandos Street Cavendish Square London W1G 9DQ
Business address	5 Calico House Plantation Wharf London SW11 3TN

DIRECT PRODUCE SUPPLIES PLC

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DIRECT PRODUCE SUPPLIES PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

The directors present their report and financial statements for the year ended 30 September 2012

Principal activities and review of the business

The principal activity of the company continued to be that of importers and wholesalers of fruits

2012 was a challenging year for the group given the volatility in the European market. Despite this, the core activities of the business performed well and new product portfolios began to show real signs of improvement towards year end. Although the key summer season was impacted by very inclement weather the group performed well driven by the efficiencies of its direct trading model and an effectively integrated supply base.

The company and its directors continue to identify and pursue new opportunities to diversify and grow the business. The company continues to invest for the future and is fully resourced with a settled management team who expect to deliver sales growth in the coming financial year. In particular the group is investing in systems infrastructure to underpin the growth opportunities and to evolve the most effective fit for purpose supply chains. The outlook remains challenging given the overall market volatility, however the directors remain very optimistic around the ability of the business to respond very effectively.

Key performance indicators

	2012	2011
	£m	£m
Turnover	46.1	41.3
Gross profit	4.6	4.2
Profit before tax	0.9	0.9
Net assets	1.4	1.0

Results and dividends

The results for the year are set out on page 6

Dividends paid in the year are disclosed in note 7 to the accounts

Post balance sheet events

On 29 November 2012 the company re-registered as a private company however, following a group re-organisation the directors have decided to re-register the company as a public company.

Directors

The following directors have held office since 1 October 2011

G T Hughes	(Resigned 15 November 2012)
G B Hughes	(Resigned 30 November 2012)
P Beaumont	
N Laister	

Charitable donations	2012	2011
	£	£

During the year the company made the following payments

Charitable donations	14,252	27,352
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The main purpose of the donations was for the benefit of medical research and youth development

DIRECT PRODUCE SUPPLIES PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

On average, trade creditors at the year end represented 69 (2011: 65) days' purchases

Financial instruments

Treasury operations and financial instruments

The company's financial instruments principally comprise of cash at bank, the main purpose of which is to finance the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and creditors arising directly from operations. It is, and has been throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the group's financial instruments are interest, liquidity and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Liquidity risk

The company manages its borrowings requirements to ensure the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to cash flow interest rate risk on its floating rate borrowings. All borrowings are in sterling.

Foreign currency risk

The company is exposed to exchange rate fluctuations particularly where goods are purchased in Euros. This is largely managed through hedging via use of currency forward contracts.

Auditors

In accordance with the company's articles, a resolution proposing that Simmons Gainsford LLP be reappointed as auditors of the company will be put at a General Meeting.

DIRECT PRODUCE SUPPLIES PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P Beaumont

Director

31 January 2013

DIRECT PRODUCE SUPPLIES PLC

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DIRECT PRODUCE SUPPLIES PLC

We have audited the financial statements of Direct Produce Supplies Plc for the year ended 30 September 2012 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DIRECT PRODUCE SUPPLIES PLC

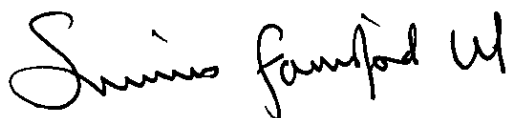
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF DIRECT PRODUCE SUPPLIES PLC

Matters on which we are required to report by exception

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

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



Stephen Jennings FCA (Senior Statutory Auditor)
for and on behalf of Simmons Gainsford LLP

31 January 2013

Chartered Accountants
Statutory Auditor

7/10 Chandos Street
Cavendish Square
London
W1G 9DQ

DIRECT PRODUCE SUPPLIES PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	46,128,633	41,271,631
Cost of sales		(41,552,980)	(37,090,959)
Gross profit		4,575,653	4,180,672
Administrative expenses		(3,846,832)	(3,529,500)
Other operating income		170,000	214,442
Operating profit	3	898,821	865,614
Investment income	4	6,134	3,325
Other interest receivable and similar income	4	-	814
Interest payable and similar charges	5	(13,238)	-
Profit on ordinary activities before taxation		891,717	869,753
Tax on profit on ordinary activities	6	(354,454)	(257,707)
Profit for the year	17	537,263	612,046

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

There are no recognised gains and losses other than those passing through the profit and loss account

DIRECT PRODUCE SUPPLIES PLC

BALANCE SHEET

AS AT 30 SEPTEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	8	815,583		319,499	
Investments	9	156,000		208,000	
			971,583		527,499
Current assets					
Stocks	10	530,568		731,840	
Debtors	11	8,535,229		6,509,371	
Cash at bank and in hand		1,410,684		1,120,036	
		10,476,481		8,361,247	
Creditors amounts falling due within one year	12	(9,593,926)		(7,861,744)	
Net current assets			882,555		499,503
Total assets less current liabilities			1,854,138		1,027,002
Creditors amounts falling due after more than one year	13	(374,473)		-	
Provisions for liabilities	14	(40,238)		(40,238)	
			1,439,427		986,764
Capital and reserves					
Called up share capital	16	136,392		136,392	
Profit and loss account	17	1,303,035		850,372	
Shareholders' funds	18	1,439,427		986,764	

Approved by the Board and authorised for issue on 31 January 2013



P Beaumont
Director

Company Registration No. 01336601

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Straight line over 8 or 10 years
Computer equipment	1 - 3 years straight line
Fixtures, fittings & equipment	15% on written down value & straight line over 10 months

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Stock

Stock is valued at the lower of cost and net realisable value

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the group during the year in accordance with FRS 17. The assets of the scheme are held separately from those of the group in an independently administered fund

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting policies

(continued)

1 9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

1 11 Forward contracts

The company uses derivative financial instruments, in particular forward currency contracts, to manage the financial risks associated with the company's activities and the financing of those activities. The company does not undertake any trading activities in financial instruments

Forward exchange contracts are used to hedge foreign exchange exposures arising on forecast payments in foreign currencies. At maturity or when a contract ceases to be a hedge, gains and losses are taken to the profit and loss account

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging		
	Provision against investment	52,000	52,000
	Depreciation of tangible assets	104,839	76,853
	Operating lease rentals	98,700	98,700
	and after crediting		
	Profit on disposal of tangible assets	-	(3,683)
	Profit on foreign exchange transactions	(48,095)	(85,090)
		<u></u>	<u></u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	35,000	49,500
	Other services relating to taxation	22,357	6,000
	All other services	27,298	35,096
		<u></u>	<u></u>
		84,655	90,596
		<u></u>	<u></u>
4	Investment income	2012	2011
		£	£
	Income from shares in group undertakings	6,134	3,325
	Bank interest	-	814
		<u></u>	<u></u>
		6,134	4,139
		<u></u>	<u></u>
5	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	13,238	-
		<u></u>	<u></u>

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

6	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	230,000	262,000
	Adjustment for prior years	(2,323)	(4,293)
	Payment in respect of group relief	126,777	-
	Total current tax	354,454	257,707
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	891,717	869,753
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	214,012	226,136
	Effects of		
	Non deductible expenses	42,879	39,593
	Depreciation add back	25,161	19,982
	Capital allowances	(42,630)	(31,764)
	Adjustments to previous periods	(2,323)	(4,293)
	Group relief claimed	(30,426)	-
	Receipt in respect of group relief	126,777	(1,851)
	Other tax adjustments	21,004	9,904
		140,442	31,571
	Current tax charge for the year	354,454	257,707
7	Dividends	2012 £	2011 £
	Ordinary final paid	84,600	720,730

Subsequent to the year end a dividend of £192,000 has been declared in respect to the year ended 30 September 2012

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

8 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 October 2011	100,920	357,405	664,418	1,122,743
Additions	516,101	69,081	15,742	600,924
At 30 September 2012	617,021	426,486	680,160	1,723,667
Depreciation				
At 1 October 2011	31,005	272,641	499,598	803,244
Charge for the year	22,009	56,048	26,783	104,840
At 30 September 2012	53,014	328,689	526,381	908,084
Net book value				
At 30 September 2012	564,007	97,797	153,779	815,583
At 30 September 2011	69,915	84,764	164,820	319,499

9 Fixed asset investments

	Unlisted investments £
Cost	
At 1 October 2011 & at 30 September 2012	260,000
Provisions for diminution in value	
At 1 October 2011	52,000
Charge for the year	52,000
At 30 September 2012	104,000
Net book value	
At 30 September 2012	156,000
At 30 September 2011	208,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2012

The bank loan is secured against a debenture over the assets of the company and by way of a cross-guarantee provided by fellow group undertakings. The bank loan is also secured by way of a mortgage over specific assets of the company.

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

13 Creditors, amounts falling due after more than one year	2012 £	2011 £
Bank loans	374,473	-
Analysis of loans		
Wholly repayable within five years	469,023	-
	469,023	-
Included in current liabilities	(94,550)	-
	374,473	-

The bank loan is secured against a debenture over the assets of the company and by way of a cross-guarantee provided by fellow group undertakings. The bank loan is also secured by way of a mortgage over specific assets of the company.

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 October 2011 & at 30 September 2012	40,238

The deferred tax liability is made up as follows.

	2012 £	2011 £
Accelerated capital allowances	40,238	40,238

15 Pension and other post-retirement benefit commitments

Defined contribution

	2012 £	2011 £
Contributions payable by the company for the year	63,225	91,304

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

16 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
136,382 'A' Ordinary shares of £1 each	136,382	136,382
100 'B' Ordinary shares of 10p each	10	10
	<u>136,392</u>	<u>136,392</u>

17 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 October 2011	850,372
Profit for the year	537,263
Dividends paid	(84,600)
Balance at 30 September 2012	<u>1,303,035</u>

18 Reconciliation of movements in shareholders' funds	2012 £	2011 £
Profit for the financial year	537,263	612,046
Dividends	(84,600)	(720,730)
Net addition to/(depletion in) shareholders' funds	<u>452,663</u>	<u>(108,684)</u>
Opening shareholders' funds	986,764	1,095,448
Closing shareholders' funds	<u>1,439,427</u>	<u>986,764</u>

19 Contingent liabilities

The company has entered into forward currency contracts amounting to £5,066,694 (2011 £4,685,670) as at the balance sheet date

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2012

20 Financial commitments

At 30 September 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire Between two and five years	98,300	98,300

21 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	271,812	284,729
Company pension contributions to defined contribution schemes	3,746	44,801
	275,558	329,530

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 - 3)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	151,041	150,047
Company pension contributions to defined contribution schemes	3,746	3,672

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Production and distribution	59	37
Office and management	15	14
	<u>74</u>	<u>51</u>

Employment costs

	2012 £	2011 £
Wages and salaries	2,639,553	2,361,753
Social security costs	322,624	261,102
Other pension costs	63,225	91,304
	<u>3,025,402</u>	<u>2,714,159</u>

23 Control

H & B Holdings Limited, a company incorporated in England and Wales, is considered to be the immediate and ultimate parent undertaking in both the current and prior year

The ultimate controlling party is G B Hughes, a director who served during the year, by virtue of his shareholding in the ultimate parent undertaking in both the current and prior year

Subsequent to the year end the entire share capital of H & B Holdings Limited was acquired by Terradace Holdings Limited, which is now considered to be the ultimate parent undertaking. P Beaumont is now the ultimate controlling party by virtue of his shareholding in Terradace Holdings Limited

DIRECT PRODUCE SUPPLIES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

24 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions

At the balance sheet date, the company owed £69 (2011 £3,781 - owed from) to C R Produce Limited, a fellow subsidiary undertaking

At the balance sheet date, the company owed £77,799 (2011 £443,145 - owed from) to Citrus Direct Limited, a fellow subsidiary undertaking

During the year purchases of £959,504 (2011 £5,590,538) and sales of £832,837 (2011 £518,615) were made from/to Citrus Direct Limited

During the year a management fee of £170,000 (2011 £214,442) was charged to Citrus Direct Limited

At the balance sheet date, the company was owed £338,882 (2011 £332,739) from Integrated Fruit Marketing (Pty) Limited, a fellow subsidiary undertaking incorporated in South Africa

During the year interest of £6,134 (2011 £3,325) was charged on the above balance owed from Integrated Fruit Marketing (Pty) Limited

During the year logistic management fees of £229,317 (2011 £256,428) were charged by Integrated Fruit Marketing (Pty) Limited

At the balance sheet date £484,972 (2011 £26,848) was owed from H & B Holdings Limited, the company's ultimate parent undertaking

At the balance sheet date, the company was owed £1,521,426 (2011 £353,392) from V Poggi (London) Limited, a fellow subsidiary undertaking

At the balance sheet date, the company was owed £nil (2011 £11,163) from Verde Natur UK Limited, a fellow subsidiary undertaking

At the balance sheet date, the company was owed £4,722 (2011 £26,229 - owed to) from Verde Natur Espana S L , a fellow subsidiary undertaking incorporated in Spain

At the balance sheet date the company owed £nil (2011 £100) to G B Hughes, a director

At the balance sheet date the company owed £nil (2011 £2,711) to G T Hughes, a director

At the balance sheet date the company was owed £2,748 (2011 £8,975) by N Laister, a director of the company. A loan of £20,000 having been made which attracts interest at a rate of 4.75% per annum and is being repaid in monthly instalments