

REGISTRAR'S COPY

DIRECT PRODUCE SUPPLIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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DIRECT PRODUCE SUPPLIES LIMITED

COMPANY INFORMATION

DIRECTORS	P Beaumont N Laister
COMPANY SECRETARY	P Beaumont
REGISTERED NUMBER	01336601
REGISTERED OFFICE	4th Floor 7/10 Chandos Street London W1G 9DQ
INDEPENDENT AUDITORS	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 7-10 Chandos Street London W1G 9DQ

DIRECT PRODUCE SUPPLIES LIMITED

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DIRECT PRODUCE SUPPLIES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors of the company present their strategic report together with the audited financial statements for the year ended 30 September 2014.

BUSINESS REVIEW

The last financial period was a period of unprecedented change within the UK retail industry, as many of our key customers restructured and repositioned their businesses to better compete in this rapidly evolving market. Within this market turmoil the group has successfully completed its comprehensive restructuring plan through which Direct Produce Supplies Limited ("DPS") experienced the majority of change. The restructuring plan has resulted in a significant reduction in the overall cost to operate the company, a move to a joint venture state of the art packing factory and greater integration of our supply chains.

Additionally DPS has fundamentally changed its supply management models to deliver greater clarity, openness and collaboration with our retail customers. This has resulted in evolution of mutual long term commitment over many areas of the business and the ability to deliver long term sustainability and growth. Whilst the business performed adequately in 2014 it is the opinion of the Directors and Management that the finalisation of our comprehensive restructure positions the business very effectively for the future and the positive results of the change programme are already delivering very encouraging business performance.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial management risks

The company's financial instruments principally comprise of cash at bank and bank loan facilities, 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 company's financial instruments are interest, liquidity, and foreign exchange 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 period.

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.

DIRECT PRODUCE SUPPLIES LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators of the company are turnover, gross profit, profit before tax and net assets. A brief analysis of these is shown below:-

	2014	2013
	£	£
Turnover	45,822,930	51,028,843
Gross profit	3,438,512	2,832,051
Profit before tax	460,334	248,783
Net assets	761,902	1,001,568

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



P Beaumont
Director

Date: 26 JUNE 2015

DIRECT PRODUCE SUPPLIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the financial statements for the year ended 30 September 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 judgments 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.

PRINCIPAL ACTIVITY

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

A review of the current year results and key performance indicators are included in the company's strategic report on pages 1 - 2.

On 26 September 2014 the company re-registered as a private company.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £285,334 (2013 - £254,141).

Dividends paid in the year are disclosed in note 21 to the accounts.

DIRECTORS

The directors who served during the year were:

P Beaumont
N Laister

DIRECT PRODUCE SUPPLIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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

AUDITORS

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on **26 June 2015** and signed on its behalf.



P Beaumont
Director

DIRECT PRODUCE SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DIRECT PRODUCE SUPPLIES LIMITED

We have audited the financial statements of Direct Produce Supplies Limited for the year ended 30 September 2014, set out on pages 7 to 20. 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, 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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

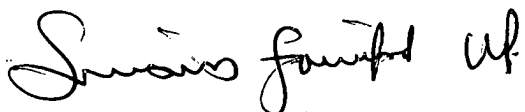
DIRECT PRODUCE SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DIRECT PRODUCE SUPPLIES
LIMITED

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

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

Date: 26 June 2015

DIRECT PRODUCE SUPPLIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	45,822,930	51,028,843
Cost of sales		(42,384,418)	(48,196,792)
		<hr/>	<hr/>
GROSS PROFIT		3,438,512	2,832,051
Administrative expenses		(3,117,338)	(2,950,512)
Other operating income	3	154,798	380,000
		<hr/>	<hr/>
OPERATING PROFIT	4	475,972	261,539
Interest receivable and similar income	8	6,720	6,388
Interest payable and similar charges	9	(22,358)	(19,144)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		460,334	248,783
Tax on profit on ordinary activities	10	(175,000)	5,358
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	19	285,334	254,141
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

DIRECT PRODUCE SUPPLIES LIMITED
REGISTERED NUMBER: 01336601

BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	11		452,270		726,170
Investments	12		52,100		104,000
			<u>504,370</u>		<u>830,170</u>
CURRENT ASSETS					
Stocks	13	434,621		687,471	
Debtors	14	5,524,088		8,091,209	
Cash at bank and in hand		1,837,310		1,147,540	
		<u>7,796,019</u>		<u>9,926,220</u>	
CREDITORS: amounts falling due within one year	15	(7,320,143)		(9,434,661)	
NET CURRENT ASSETS			<u>475,876</u>		<u>491,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>980,246</u>		<u>1,321,729</u>
CREDITORS: amounts falling due after more than one year	16		(178,106)		(279,923)
PROVISIONS FOR LIABILITIES					
Deferred tax	17		(40,238)		(40,238)
NET ASSETS			<u>761,902</u>		<u>1,001,568</u>
CAPITAL AND RESERVES					
Called up share capital	18		136,392		136,392
Profit and loss account	19		625,510		865,176
SHAREHOLDERS' FUNDS	20		<u>761,902</u>		<u>1,001,568</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 June 2015.



P Beaumont
Director

The notes on pages 9 to 20 form part of these financial statements.

DIRECT PRODUCE SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

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

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	Straight line over 8 or 10 years
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	1 - 3 years straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete stock.

DIRECT PRODUCE SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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 the 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 they year has been derived from its principal activity.

All turnover arose within the United Kingdom.

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

3. OTHER OPERATING INCOME

	2014	2013
	£	£
Other operating income	154,798	380,000

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	158,420	147,563
Impairment of fixed assets	226,251	-
Difference on foreign exchange	36,097	(27,426)
Provision against investments	52,000	52,000
Operating lease rentals:		
- other operating leases	98,300	49,700

5. AUDITORS' REMUNERATION

	2014	2013
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	37,000	37,000
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	14,000	-
Taxation compliance services	10,300	12,441
All other non-audit services not included above	9,294	27,877

6. STAFF COSTS

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

	2014	2013
	£	£
Wages and salaries	2,443,703	2,370,598
Social security costs	260,686	308,308
Other pension costs	67,236	65,317
	2,771,625	2,744,223

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

6. STAFF COSTS (continued)

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

	2014 No.	2013 No.
Production and distribution	50	55
Office and management	10	12
	<u>60</u>	<u>67</u>

7. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>129,830</u>	<u>190,615</u>
Company pension contributions to defined contribution pension schemes	<u>3,746</u>	<u>3,746</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

8. INTEREST RECEIVABLE

	2014 £	2013 £
Interest receivable from group companies	6,311	6,388
Other interest receivable	409	-
	<u>6,720</u>	<u>6,388</u>

9. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	<u>22,358</u>	<u>19,144</u>

DIRECT PRODUCE SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

10. TAXATION

	2014 £	2013 £
Analysis of tax charge/(credit) in the year		
UK corporation tax charge on profit for the year	175,000	8,335
Adjustments in respect of prior periods	-	(13,693)
Tax on profit on ordinary activities	<u>175,000</u>	<u>(5,358)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21% (2013 - 23%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>460,334</u>	<u>248,783</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 23%)	96,670	57,220
Effects of:		
Expenses not deductible for tax purposes	74,998	28,240
Capital allowances for year in excess of depreciation	(5,304)	911
Adjustments to tax charge in respect of prior periods	-	(13,693)
Other differences leading to an increase (decrease) in the tax charge	8,636	(1,078)
Group relief	-	(76,958)
Current tax charge/(credit) for the year (see note above)	<u>175,000</u>	<u>(5,358)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

11. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 October 2013	620,221	436,059	688,565	1,744,845
Additions	-	105,370	6,802	112,172
Disposals	(1,401)	-	-	(1,401)
Impairment charge	(226,251)	-	-	(226,251)
At 30 September 2014	392,569	541,429	695,367	1,629,365
Depreciation				
At 1 October 2013	117,452	359,262	541,961	1,018,675
Charge for the year	64,405	61,610	32,405	158,420
At 30 September 2014	181,857	420,872	574,366	1,177,095
Net book value				
At 30 September 2014	210,712	120,557	121,001	452,270
At 30 September 2013	502,769	76,797	146,604	726,170

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 October 2013	-	260,000	260,000
Additions	100	-	100
At 30 September 2014	100	260,000	260,100
Impairment			
At 1 October 2013	-	156,000	156,000
Charge for the year	-	52,000	52,000
At 30 September 2014	-	208,000	208,000
Net book value			
At 30 September 2014	100	52,000	52,100
At 30 September 2013	-	104,000	104,000

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Integrated Service Solutions Limited	Ordinary	- 100%

Name	Business
Integrated Service Solutions Limited	Grading, ripening, packing, storage and warehousing of fruit produce

Subsequent to the year end Integrated Service Solutions Limited was sold to the company's ultimate parent undertaking.

13. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	434,621	687,471

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

14. DEBTORS

	2014	2013
	£	£
Due after more than one year		
Prepayments and accrued income	80,556	273,889
Due within one year		
Trade debtors	3,191,924	4,504,799
Amounts owed by group undertakings	1,252,926	1,940,540
Other debtors	569,551	1,067,152
Prepayments and accrued income	429,131	304,829
	<u>5,524,088</u>	<u>8,091,209</u>

15. CREDITORS:

Amounts falling due within one year

	2014	2013
	£	£
Bank loans and overdrafts	98,183	94,550
Trade creditors	5,905,703	8,427,888
Amounts owed to group undertakings	467,396	279,352
Amounts owed to associates	20,750	-
Corporation tax	175,016	-
Other taxation and social security	75,996	79,100
Accruals and deferred income	577,099	553,771
	<u>7,320,143</u>	<u>9,434,661</u>

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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

16. CREDITORS:

Amounts falling due after more than one year

	2014 £	2013 £
Bank loans	178,106	279,923
	<u> </u>	<u> </u>

Included within the above are amounts falling due as follows:

	2014 £	2013 £
Between one and two years		
Bank loans	178,106	279,923
	<u> </u>	<u> </u>

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.

17. DEFERRED TAXATION

	2014 £	2013 £
At beginning and end of year	40,238	40,238
	<u> </u>	<u> </u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	40,238	40,238
	<u> </u>	<u> </u>

18. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
136,382 Ordinary 'A' shares of £1 each	136,382	136,382
100 Ordinary 'B' shares of £0.10 each	10	10
	<u> </u>	<u> </u>
	136,392	136,392
	<u> </u>	<u> </u>

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

19. RESERVES

	Profit and loss account £
At 1 October 2013	865,176
Profit for the financial year	285,334
Dividends: Equity capital	(525,000)
	<hr/>
At 30 September 2014	625,510
	<hr/>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,001,568	1,439,427
Profit for the financial year	285,334	254,141
Dividends (Note 21)	(525,000)	(692,000)
	<hr/>	<hr/>
Closing shareholders' funds	761,902	1,001,568
	<hr/>	<hr/>

21. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	525,000	692,000
	<hr/>	<hr/>

22. CONTINGENT LIABILITIES

The company has entered into forward currency contracts amounting to £3,318,112 (2013: £3,762,365) as at the balance sheet.

At the balance sheet date the company had entered into a group bank guarantee in respect of loans and overdraft to DPST Limited (Formerly V. (Poggi) London Limited), Citrus Direct Limited, H&B Holdings Limited and Terradace Holdings Limited. In addition, the company has entered into a guarantee in respect of loan notes issued by Terradace Holdings Limited, the company's ultimate parent undertaking. At the balance sheet date the total contingent liability attributable to this company amounted to £1,597,881 (2013: £2,816,663).

23. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £67,236 (2013 - £65,318).

DIRECT PRODUCE SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

24. OPERATING LEASE COMMITMENTS

At 30 September 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Within 1 year	40,959	-
Between 2 and 5 years	-	98,300
	<u>40,959</u>	<u>98,300</u>

25. 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 the 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 was owed £7,930 (2013: £279,350 owed to) from Citrus Direct Limited, a fellow subsidiary undertaking. During the year purchases of £nil (2013: £5,035,367) and sales £nil (2013: £4,569,095) were made from/to Citrus Direct Limited. During the year a management fee of £nil (2013: £120,000) was charged to Citrus Direct Limited.

At the balance sheet date, £346,161 (2013: £339,841) was owed from Integrated Fruit Marketing (Pty) Limited, a fellow subsidiary undertaking incorporated in South Africa. During the year interest of £6,311 (2013: £6,388) was charged on the above balance owed from Integrated Fruit Marketing (Pty) Limited. During the year logistic management fees £134,317 (2013: £197,822) were charged by Integrated Fruit Marketing (Pty) Limited.

At the balance sheet date, £876,283 (2013: £980,493) was owed from H & B Holdings Limited, the company's immediate parent undertaking.

At the balance sheet date, £119,810 (2013: £620,207 - owed from) was owed to DPST Limited, a fellow subsidiary undertaking.

At the balance sheet date a net amount of £347,586 (2013: £nil) was owed to Integrated Service Solutions Limited, a subsidiary undertaking.

At the balance sheet date, £20,750 (2013: £nil) was owed to Apricot Growers LLP, an entity in which the company's parent undertaking is a designated member.

At the balance sheet date, £22,552 (2013: £nil) was owed from Verde Natur UK Limited, a fellow subsidiary undertaking.

DIRECT PRODUCE SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

During the current and prior year H&B Holdings Limited was considered to be the company's immediate parent undertaking prior to the acquisition of the company by Terradace Holdings Limited which took place during the current year.

Terradace Holdings Limited has remained the ultimate parent undertaking in both the current and prior year.

P Beaumont is considered the ultimate controlling party by virtue of his shareholding in Terradace Holding Limited during the current and prior year.