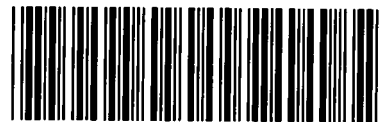


VITACRESS KENT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
Company Registration Number 02783019 (England and Wales)

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VITACRESS KENT LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2019

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**VITACRESS KENT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

Directors

T J Brinsmead
S D Rothwell
P Southorn
C Van Poortvliet
A J Cooper

Secretary

A J Cooper

Company registration number

02783019

Registered office

Lower Link Farm
St Mary Bourne
Andover
Hampshire
SP11 6DB

Independent auditors

Ernst & Young LLP
Grosvenor House
Grosvenor Square
Southampton
SO15 2BE
United Kingdom

Bankers

Deutsche Bank AG, London

**VITACRESS KENT LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors have pleasure in presenting their strategic report, directors' report and the audited financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is to provide contract farming services. During the year the Company continued its contract farming agreement to operate the Minster Farm near Ramsgate, Kent. The Company is part of the larger Vitacress group of companies, which is headed by Vitacress Limited, the RAR Group's holding company for all its fresh produce businesses.

Review of the business

The Company continued to be profitable in 2019 with a profit before tax of £109,733 (2018: £98,388). The overall financial results for the year were acceptable.

Results and movements in equity

The income statement for the year is set out on page 7. The profit after tax amounted to £89,920 (2018: £79,900). The movements in equity are set out on page 9.

Future developments

In 2020 the Company will continue its existing activity of contract farming, and will try to identify local opportunities to expand the growing base of the wider Group.

Risk management objectives and policies

Operating risks

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risk and uncertainty affecting the company is considered to relate to competition from other contract farming services providers. In addition, the nature of the business, being the growing, and supply of fresh produce, means the Company is always faced with the uncertainties of the weather

Financial risks

The Company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company.

Credit risk

The Company's revenue are mainly made through intercompany sales. The Company monitors existing intercompany accounts on an ongoing basis and takes appropriate action where necessary to minimise any potential credit risk.

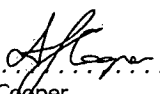
Liquidity risk

The Company retains sufficient cash to ensure it has sufficient available funds for operations and planned expansions. The Company has access to longer term funding if required and participates in group cash pool arrangements.

Key Performance Indicators

The directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

Approved by the board, and signed on their behalf on: ..27 August 2020.....

.....

A J Cooper
Director

**VITACRESS KENT LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors have pleasure in presenting their report for the year ended 31 December 2019.

Directors

The directors who held office during the year and up to the date of signing these financial statements are shown on page 1 of these financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Events after the reporting period:

In the period since the year end, the COVID-19 global pandemic has had a significant impact on the wider UK and global economy.

The Company's operations have not been materially impacted by the Covid-19 pandemic; it has maintained its operations and has taken the necessary actions to safeguard employees' health, safety and welfare in line with government guidelines and therefore the Company has still been able to continue to provide farming services in line with its contracts.

Going Concern

In preparing the financial statements the directors have had regard to the fact that the Company generated a pre-tax profit on continuing operations of £109,733 (2018: £98,388) in the financial year ended 31 December 2019. A key judgment is the appropriateness of using the going concern basis in preparing the financial statements.

Our operations have not been materially impacted by the COVID-19 pandemic and the company is still providing contract farming services in line with agreements which are still active for a period of at least 12 months from signing of these financial statements. The farming services provided relate to fresh produce, for which there is still an ongoing market during the global pandemic.

The directors have a reasonable expectation that the Company has adequate resources in place to support its future operations, for a period of at least 12 months from the signing of these financial statements, based on the continued support from the intermediate parent company, Vitacress Limited.

Dividends

On 28th of October 2019 an interim dividend of £100,000 (2018: £100,000) was paid for the year ending 31 December 2019.

A final dividend for 2019 has not been proposed prior to the approval of these financial statements and there is no intention to declare such a dividend (2018: £nil)

Directors' and officers' indemnity insurance

The intermediate parent company has taken out insurance to indemnify, against third party proceedings, the directors of the intermediate parent company whilst serving on the board of the Company and of any subsidiary. This cover also indemnifies those employees of the Company who serve on the board of the Company. The cover subsisted throughout the year and remains in place at the date of this report.

Employees

The Company's policy is to encourage employee involvement, thereby improving Company performance through regular meetings. Information on matters of concern to employees is given through regular team briefings, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Political and charitable donations

During the financial year the Company made donations to UK registered charities of £nil (2018: £nil).

Disclosure of information to auditors

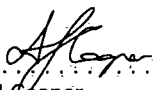
In so far as the directors in office at the date of approval of this report are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the board, and signed on their behalf on: 27 August 2020


.....
A J Cooper
Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITACRESS KENT LIMITED

Opinion

We have audited the financial statements of Vitacress Kent Limited for the year ended 31 December 2019 which comprise Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Effect of Covid-19

We draw attention to Note 4.1.1 and Note 25 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 and the impact on the company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.

Ernst & Young LLP

*David Hales (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton*

Date: 28 August 2020

VITACRESS KENT LIMITED

Notes to the financial statements for the year ended 31 December 2019

Income statement for the year ended 31 December 2019

	<i>Notes</i>	2019 £	2018 £
Revenue	5	1,225,889	1,173,796
Raw materials and consumables used		(275,260)	(353,813)
Changes in inventories		(13,858)	(5,895)
External supplies and services		(337,959)	(323,053)
Depreciation expense	12 & 13	(136,256)	(83,712)
Employee benefit expense	7	(358,130)	(344,414)
Other operating expenses		(20)	(75)
Total operating expenses		(1,121,483)	(1,110,962)
Other operating income	6	19,745	43,874
Operating profit		124,151	106,708
Financial expense	10	(14,418)	(8,320)
Profit before tax		109,733	98,388
Income tax	11	(19,813)	(18,488)
PROFIT FOR THE YEAR		89,920	79,900

All of the Company's activities are classed as continuing operations and are attributable to equity holders of the Company.

The accompanying notes form an integral part of these financial statements.

Statement of other comprehensive income for the year ended 31 December 2019

	2019 £	2018 £
Profit for the year	89,920	79,900
Total comprehensive income for the year	89,920	79,900

VITACRESS KENT LIMITED

Statement of financial position as at 31 December 2019

	Notes	2019 £	2018 £
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	12	314,393	341,511
Right of use assets	13	72,181	-
Deferred tax assets	20	15,451	14,730
Total non-current assets		402,025	356,241
<i>Current assets</i>			
Inventories	14	121,232	107,374
Trade and other receivables	15	500,682	459,703
Total current assets		621,914	567,077
Total assets		1,023,939	923,318
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital	16	(100)	(100)
Retained earnings		(271,471)	(281,551)
Total equity		(271,571)	(281,651)
<i>Non-current liabilities</i>			
Creditors under lease contracts	13	(30,402)	-
Total non-current liabilities		(30,402)	-
<i>Current liabilities</i>			
Loan from group companies	18	(580,913)	(493,448)
Creditors under lease contracts	13	(42,797)	-
Trade and other payables	19	(98,256)	(148,219)
Total current liabilities		(721,966)	(641,667)
Total liabilities		(752,368)	(641,667)
Total equity and liabilities		(1,023,939)	(923,318)

The accompanying notes form an integral part of these financial statements. The financial statements were approved by the board of directors and authorised for issue on27 August..... 2020 and were signed on its behalf by:



 A J Cooper
Director
 Vitacress Kent Limited
 Registered number: 02783019

VITACRESS KENT LIMITED

Statement of changes in equity for the year ended 31 December 2019

	Share capital	Retained earnings	Total equity
	<u>£</u>	<u>£</u>	<u>£</u>
Balance at 1 January 2018	100	301,651	301,751
Profit for the year	-	79,900	79,900
Dividends paid	-	(100,000)	(100,000)
Balance at 31 December 2018	100	281,551	281,651
Profit for the year	-	89,920	89,920
Dividends paid	-	(100,000)	(100,000)
Balance at 31 December 2019	<u>100</u>	<u>271,471</u>	<u>271,571</u>

The accompanying notes form an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2019

	2019	2018
	<u>£</u>	<u>£</u>
Cash flows from operating activities		
Receipts from customers	813,867	974,525
Payments to suppliers	(707,677)	(763,065)
Payments related to employees	(358,130)	(344,414)
Net receipts from group companies	<u>407,354</u>	<u>192,631</u>
Operating cash flow	155,414	59,677
Tax payments	<u>(20,534)</u>	<u>-</u>
Net cash generated from operating activities	<u>134,880</u>	<u>59,677</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Purchases of property, plant and equipment	(63,140)	(178,679)
Interest and similar income from group companies	<u>(507)</u>	<u>-</u>
Net cash used in investing activities	<u>(63,647)</u>	<u>(178,679)</u>
Cash flows from financing activities		
Payment of lease liabilities*	(47,703)	-
Dividends paid	(100,000)	(100,000)
Movements in group cash pool	87,465	226,994
Interest and similar costs to group companies	(9,841)	(7,331)
Interest and similar costs to external parties	<u>(1,154)</u>	<u>(661)</u>
Net cash (used)/generated from financing activities	<u>(71,233)</u>	<u>119,002</u>
Net (decrease)/increase in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the year	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u>-</u>	<u>-</u>

*The Company has classified both principal portion and interest portion of lease payments within financing activities in accordance with IFRS16.50 and the company's policy on classification of interest paid.

The accompanying notes form an integral part of these financial statements.

VITACRESS KENT LIMITED

Notes to the financial statements for the year ended 31 December 2019

1. General information and statement of compliance with IFRS

Vitacress Kent Limited ("the Company") is a limited company incorporated and domiciled in the UK. The principal activity of the Company is to provide contract farming services.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The address of the registered office is set out on the Company information page.

2. New and changes in accounting policy

2.1 New and amended standards adopted by the Company

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the company is the lessor.

The company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the company applied the standard only to contracts were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

On transition to IFRS 16, the company also elected to measure the right-of-use assets at an amount equal to the lease liability at the date of initial application on 1 January 2019. Under this approach, an additional £118,180 of right-of-use assets and £118,180 of lease liabilities were recognised with no impact on retained earnings and deferred tax at 1 January 2019.

The company has lease contracts for various items of land and buildings and vehicles. Before the adoption of IFRS 16, the company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 3.4 Leases for the accounting policy prior to 1 January 2019.

Upon adoption of IFRS 16, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 3.4 Leases for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the company.

- Lease previously accounted for as operating leases
The company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application

2. New and changes in accounting policy – continued**2.1 New and amended standards adopted by the Company – continued**

The company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Assets	Land & Building £	Plant, machines & vehicles £	Total £
Operating lease commitments as at 31 December 2018	35,100	18,039	53,139
Weighted average incremental borrowing rate as at 1 January 2019:	3.04%	2.24%	
Discounted operating lease commitments as at 1 January 2019	33,901	18,100	52,001
Add:			
Adjustment relating to increase on lease payments			4,500
Leases not included in disclosure of operating lease arrangements in 2018			61,679
Lease liabilities as at 1 January 2019			118,180

3. Significant accounting policies**3.1 Basis of preparation**

The Financial Statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. A summary of the Company's accounting policies, which have been consistently applied, is set out below.

3.2 Foreign currency translation

The financial statements are presented in the currency GBP, which is also the functional currency of the Company. The functional currency of the Company has remained unchanged during the financial year. All financial information presented in GBP has been rounded to the nearest pound.

Foreign currency transactions are translated into the functional currency of the entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the income statement.

3.3 Revenue recognition

The Company provides contract farming services. Revenue from services rendered is recognised in the income statement as the fair value of consideration receivable on the delivery of services delivered at the Statement of financial position date, net of discounts and sales taxes.

3. Significant accounting policies - continued

3.4 Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of any identified asset for a period of time in exchange for consideration.

The Company as a lessee

Policy applicable from 1 January 2019

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, the same as useful economic lives of property, plant and equipment in in note 12.1

If ownership of the lease asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable. In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that met the low-value exemption criteria. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under IAS 17 - The Company as lessee

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. Significant accounting policies - continued

3.5 Borrowing costs

Borrowing costs on loans obtained are recognised in the income statement on an accruals basis at the implicit interest rate.

3.6 Retirement benefit costs

The Company provides post-employment benefits through defined contribution retirement benefit plans. Payments to defined contribution retirement benefit plans are recognised as an expense when the relevant employees have rendered service entitling them to the contributions.

3.7 Taxation

Income tax expense is determined based on the taxable income of the Company and includes deferred taxation.

3.7.1 Current tax

Current income tax is based on taxable profit for the year (which differs from the accounting profit) of the Company. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred tax

Deferred tax is calculated using the statement of financial position method, and reflects the timing differences between the carrying amounts of assets and liabilities for financial reporting and their income tax bases. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised only when there is reasonable expectation that there will be sufficient future taxable income against which to use them. The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3.7.3 Current and deferred tax for the year

Current and deferred tax is recognised in the income statement.

3.8 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost is defined as the purchase price, plus any additional costs incurred to bring the asset to its current location and position.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within Other operating income in the income statement.

3.9 Inventories

Raw materials are stated at the lower of cost and net realisable value. Cost is determined using a weighted average cost method. The cost is determined as purchase price and direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3. Significant accounting policies - continued

3.10 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the respective financial instrument.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value taking into account transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

3.10.1 Trade receivables

Receivables from third parties are stated at their nominal value less possible impairment losses, which are recognised under 'Impairment losses on receivables', so that they are reflected at their net realisable value.

The impairment loss is calculated using the Group's Expected Credit Loss Model (ECL)

3.10.2 Accounts payable

Non-interest bearing accounts payable are stated at their nominal value.

3.10.3 Loans

Loans are recorded as liabilities at their amortised cost. Possible costs incurred with the issuance of these loans are recorded as deductions from the liability and recognised over the period of the loans based on the effective interest rate. Financial expenses are calculated based on the effective interest rates, including premiums payable, and are reflected in the income statement on an accruals basis.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

4.1.1 Going concern

In preparing the financial statements the directors have had regard to the fact that the Company generated a pre-tax profit on continuing operations of £109,733 (2018: £98,388) in the financial year ended 31 December 2019. A key judgment is the appropriateness of using the going concern basis in preparing the financial statements.

Our operations have not been materially impacted by the COVID-19 pandemic and the company is still providing contract farming services in line with agreements which are still active for a period of at least 12 months from signing of these financial statements. The farming services provided relates to fresh produce, for which there is still an ongoing market during the global pandemic.

The directors have a reasonable expectation that the Company has adequate resources in place to support its future operations, for a period of at least 12 months from the signing of these financial statements, based on the continued support from the intermediate parent company, Vitacress Limited.

4. Critical accounting judgements and key sources of estimation uncertainty -continued**4.2 Key sources of estimation uncertainty****4.2.1 Recoverability of trade receivables**

For trade receivables and contract assets, the Group applies a simplified approach in calculating Expected Credit Loss (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5. Revenue

The following is an analysis of the Company's revenue for the year.

	2019	2018
	£	£
Revenue from the provision of services in the UK	<u>1,225,889</u>	<u>1,173,796</u>

6. Other operating income

	2019	2018
	£	£
Gain on sale of property, plant and equipment	350	-
Rental income	11,575	14,012
Other income	<u>7,820</u>	<u>29,862</u>
	<u>19,745</u>	<u>43,874</u>

7. Employee benefit expense

Employee benefit expense is made up as follows:

	2019	2018
	£	£
Wages and salaries	(314,647)	(310,450)
Social security expense	(30,323)	(27,947)
Pension contributions	(6,546)	(4,149)
Other personnel costs	<u>(6,614)</u>	<u>(1,868)</u>
	<u>(358,130)</u>	<u>(344,414)</u>

Number of employees	2019	2018
	Number	Number
Management and administration	2	2
Production and packing	<u>8</u>	<u>9</u>
Average monthly number of staff employed by the Company	10	11

8. Directors' emoluments

	<u>2019</u>	<u>2018</u>
	£	£
Salary payments and other short-term employee benefits	-	(10,000)

Four (2018: Five) of the directors consider that their services to this Company are incidental to their other activities within the group. Accordingly, the emoluments of four (2018: five) of the directors are paid by Vitacress Limited, the Company's intermediate parent company. It is not possible to determine a specific allocation for services rendered to this Company. The aggregate emoluments of the highest paid director were £nil for salary payments and other benefits (2018: £5,000).

9. Fees to auditors

There was no charge in either the current year or prior year's financial statements for auditors' remuneration as the fees were charged in the financial statements of Vitacress Limited, the Company's intermediate parent company. It is not possible to allocate the audit or tax fee charged in Vitacress Limited across the entities within the group.

10. Financial expense

	<u>2019</u>	<u>2018</u>
	£	£
Bank charges	(1,154)	(660)
Operational lease contracts	(2,723)	-
Interest expense on intercompany loans	(10,541)	(7,660)
	<u>(14,418)</u>	<u>(8,320)</u>

11. Income tax expense**11.1 Income tax recognised in the income statement**

	<u>2019</u>	<u>2018</u>
	£	£
Current tax		
Current year charge	(20,534)	(16,742)
Total current tax	(20,534)	(16,742)
Deferred tax		
Current year	806	(1,952)
Effect of changes in tax rates	(85)	206
Total deferred tax	721	(1,746)
Total income tax expense recognised in income statement	<u>(19,813)</u>	<u>(18,488)</u>

11. Income tax expense - continued**11.2 Reconciliation of tax charge**

The tax expense for the year can be reconciled to the accounting profit as follows:

	2019	2018
	£	£
Profit before tax	<u>109,733</u>	<u>98,388</u>
Income tax - calculated at UK average corporation tax rate of 19.00% (2018: 19.00%)	(20,849)	(18,694)
Effects of Group Relief	1,133	-
Effect of changes in tax rates	(85)	206
Expenses not deductible	<u>(12)</u>	<u>-</u>
Total income tax expense recognised in the income statement	<u>(19,813)</u>	<u>(18,488)</u>

11.3 Factors affecting future tax charges

The main rate of corporation tax has been 19% since 1 April 2017. A reduction in the corporation tax rate to 17% from 1 April 2020 was enacted during 2016. All closing deferred tax balances have been valued at 17%, being the rate at which most balances are expected to reverse.

12. Property, plant and equipment

	Plant and machinery	Vehicles	Office furniture and fittings	WIP	Total
	£	£	£	£	£
Cost or valuation					
Balance at 1 January 2019	1,028,061	54,170	6,736	21,658	1,110,625
Additions	-	-	-	63,140	63,140
Disposals	(1)	-	-	-	(1)
Transfers	<u>84,798</u>	<u>-</u>	<u>-</u>	<u>(84,798)</u>	<u>-</u>
Balance at 31 December 2019	<u>1,112,858</u>	<u>54,170</u>	<u>6,736</u>	<u>-</u>	<u>1,173,764</u>
Accumulated depreciation and impairment					
Balance at 1 January 2019	708,709	54,170	6,235	-	769,114
Depreciation expense	89,756	-	501	-	90,257
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2019	<u>798,465</u>	<u>54,170</u>	<u>6,736</u>	<u>-</u>	<u>859,371</u>
Carrying amount 31 December 2019	<u>314,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,393</u>

12. Property, plant and equipment - continued

	Plant and machinery	Vehicles	Office furniture and fittings	WIP	Total
	£	£	£	£	£
<i>Cost or valuation</i>					
Balance at 1 January 2018	787,086	54,170	6,736	100,179	948,171
Additions	-	-	-	178,679	178,679
Disposals	(16,225)	-	-	-	(16,225)
Transfers	257,200	-	-	(257,200)	-
Balance at 31 December 2018	<u>1,028,061</u>	<u>54,170</u>	<u>6,736</u>	<u>21,658</u>	<u>1,110,625</u>
<i>Accumulated depreciation and Impairment</i>					
Balance at 1 January 2018	642,188	54,170	5,269	-	701,627
Depreciation expense	82,746	-	966	-	83,712
Disposals	(16,225)	-	-	-	(16,225)
Balance at 31 December 2018	<u>708,709</u>	<u>54,170</u>	<u>6,235</u>	<u>-</u>	<u>769,114</u>
Carrying amount 31 December 2018	<u>319,352</u>	<u>-</u>	<u>501</u>	<u>21,658</u>	<u>341,511</u>

12.1 Useful economic lives

The following useful lives are used in the calculation of depreciation.

Plant and machinery	3 – 10 years
Vehicles	4 – 7 years
Office furniture and fittings	3 – 10 years

Depreciation is charged on a straight line basis.

13. Right-of-use assets**13.1 Company as a lessee**

	Land and natural resources	Buildings and other constructions	Vehicles	Total
	£	£	£	£
<i>Cost or valuation</i>				
Balance at 1 January 2019	37,644	33,852	46,684	118,180
Balance at 31 December 2019	<u>37,644</u>	<u>33,852</u>	<u>46,684</u>	<u>118,180</u>
<i>Accumulated depreciation and impairment</i>				
Balance at 1 January 2019	-	-	-	-
Depreciation expense	20,571	15,045	10,383	45,999
Balance at 31 December 2019	<u>20,571</u>	<u>15,045</u>	<u>10,383</u>	<u>45,999</u>
Carrying amount 31 December 2019	<u>17,073</u>	<u>18,807</u>	<u>36,301</u>	<u>72,181</u>

13. Right-of-use assets – continued**13.1 Company as a lessee - continued****13.1.1 Lease liabilities included in the Statement of financial position at 31 December**

	2019
	<u>£</u>
Current	42,797
Non-current	<u>30,402</u>
	<u>73,199</u>

13.1.2 Amounts recognised in profit or loss

	2019
	<u>£</u>
Interest on lease liabilities	2,723
Depreciation expense of right-of-use assets	<u>45,999</u>
	<u>48,722</u>

13.1.3 Amount recognised in the statement of cash flows

	2019
	<u>£</u>
Total cash outflow for leases	<u>(47,703)</u>
	<u>(47,703)</u>

The future cash outflows relating to leases are disclosed in Note 24.

14. Inventories

	2019	2018
	<u>£</u>	<u>£</u>
Raw materials	<u>121,232</u>	<u>107,374</u>

The cost of inventories recognised as an expense during the year was £275,260 (2018: £353,813).

The cost of inventories recognised as an expense includes £nil (2018: £nil) in respect of write-downs of inventory to net realisable value.

15. Trade and other receivables

	<u>2019</u>	<u>2018</u>
	£	£
Trade receivables	111,538	58,615
Amounts owed by Group companies – trade (note 23.1)	368,534	370,095
Other receivables	<u>20,610</u>	<u>30,993</u>
	<u>500,682</u>	<u>459,703</u>

All amounts are short-term, interest free and repayable on demand. The net carrying amount of trade receivables is considered a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indicators of impairment and no impairment provision was found to be necessary (2018: £nil).

16. Share capital

	<u>2019</u>	<u>2018</u>
	£	£
Share capital	<u>(100)</u>	<u>(100)</u>
<i>Authorised share capital comprises:</i>		
100 ordinary shares of £1 each	<u>(100)</u>	<u>(100)</u>
<i>Issued share capital comprises:</i>		
100 ordinary shares of £1 each	<u>(100)</u>	<u>(100)</u>

17. Dividends

On the 28th October 2019 an interim dividend of £100,000 was paid for the year ending 31st December 2019 (2018: £100,000).

A final dividend for 2019 has not been proposed prior to the approval of these financial statements and there is no intention to declare such a dividend (2018: £nil).

18. Financial assets and liabilities

	<u>2019</u>	<u>2018</u>
	£	£
Financial assets		
<i>Loans and receivables</i>		
Trade receivables (note 15)	111,538	58,615
Amounts owed by Group companies - trade (note 15)	<u>368,534</u>	<u>370,095</u>
	<u>480,072</u>	<u>428,710</u>
Disclosed as:		
Current	<u>480,072</u>	<u>428,710</u>

18. Financial assets and liabilities - continued**Financial liabilities**

	2019	2018
	£	£
<i>Financial liabilities measured at amortised cost</i>		
Trade payables (note 19)	(20,842)	(90,409)
Creditors under lease contracts (note 13.1.1)	(73,199)	-
Other current liabilities (note 19)	(22,117)	(33,366)
Amounts owed to Group companies – trade (note 19)	(55,297)	(24,444)
Loans from Group companies (note 23.2)	(580,913)	(493,448)
	<u>(752,368)</u>	<u>(641,667)</u>

Disclosed as:

Current	(721,966)	(641,667)
Non-current	(30,402)	-
Total	<u>(752,368)</u>	<u>(641,667)</u>

19. Trade and other payables

	2019	2018
	£	£
Trade payables	(20,842)	(90,409)
Other current liabilities	(22,117)	(33,366)
Amounts owed to Group companies - trade (note 23.1)	(55,297)	(24,444)
	<u>(98,256)</u>	<u>(148,219)</u>

All amounts are short-term, interest free and repayable upon demand.

20. Deferred tax assets and liabilities**20.1 Deferred tax assets**

The following is the analysis of deferred tax assets presented in the statement of financial position:

	2019	2018
	£	£
Deferred tax assets	<u>15,451</u>	<u>14,730</u>

20. Deferred tax assets and liabilities – continued**20.2 Deferred tax movement**

	<u>Opening balance</u>	<u>Recognised in profit or loss</u>	<u>Closing balance</u>
	£	£	£
2019			
<i>Deferred tax asset in relation to:</i>			
Property, plant & equipment	<u>14,730</u>	<u>721</u>	<u>15,451</u>
2018			
<i>Deferred tax asset in relation to:</i>			
Property, plant & equipment	<u>16,476</u>	<u>(1,746)</u>	<u>14,730</u>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

21. Retirement benefit plans

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company, in independently administered funds.

The total expense recognised in the income statement of £6,546 (2018: £4,149) represents contributions payable to the plan by the Company at rates specified in the rules of the plan. As at 31 December 2019, contributions of £nil (2018: £nil) due in respect of the reporting year had not been paid over to the plan.

22. Financial instruments**22.1 Financial risk management objectives**

The Company is exposed to various risks in relation to financial instruments; however none give rise to material exposures for the Company. The main types of risk are credit risk and liquidity risk.

The Company's risk management is coordinated at its head office in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium cash flows by minimising the exposure to financial markets. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

22.2 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2018.

The capital structure of the Company consists solely of the equity of the Company (comprising issued capital, and retained earnings).

The Company is not subject to any externally imposed capital requirements.

The Company manages its capital by regularly reviewing internal reports such as short and medium term cash flow forecasts and capital expenditure reports. Management use this information to assess the Company's capital availability against targets set by the parent company and manage it in line with the Company's objectives.

22.3 Credit risk management

The Company has very few customers; credit risk is managed through regularly reviewing and analysing accounts receivable.

22. Financial instruments – continued**22.4 Liquidity risk management**

Liquidity risk is the risk that the Company cannot meet or settle its obligations on time or at a reasonable price. Due to the existence of liquidity risk, management of liquidity is performed with the objective of ensuring permanent and efficient access to funds to fulfil commitments, minimising the probability of not being able to fulfil commitments and minimising the opportunity cost of retaining excess liquidity in the short-term.

The Company manages liquidity risk by regularly reviewing internal reports such as daily, weekly and medium term cash flow forecasts and matching the maturity profiles of financial assets and liabilities. Management uses this information to ensure sufficient liquidity is available for the Company's day to day needs.

22.4.1 Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. All mature within 12 months. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity risk	Carrying amount	Contractual cash flows	1 year or less	1-5 years	Total
	£	£	£	£	£
31 December 2019					
<i>Non-derivative financial liabilities</i>					
Amounts owed to group companies	(55,297)	(55,297)	(55,297)	-	(55,297)
ROU liability	(73,199)	(75,411)	(44,178)	(31,233)	(75,411)
Trade payables	(20,842)	(20,842)	(20,842)	-	(20,842)
	<u>(149,338)</u>	<u>(151,550)</u>	<u>(120,317)</u>	<u>(31,233)</u>	<u>(151,550)</u>
31 December 2018					
<i>Non-derivative financial liabilities</i>					
Amounts owed to group companies	(24,444)	(24,444)	(24,444)	-	(24,444)
Trade payables	(90,409)	(90,409)	(90,409)	-	(90,409)
	<u>(114,853)</u>	<u>(114,853)</u>	<u>(114,853)</u>	<u>-</u>	<u>(114,853)</u>

23. Related party transactions

The Company's immediate parent company is Vitacress Salads Limited, a company registered in the UK. The Company's intermediate parent company is Vitacress Limited, a company registered in the UK. The Company's ultimate parent company and controlling party is SIEL SGPS SA, a company registered in Portugal, who owns 100% of RAR – Sociedade de Controle (Holding) SA. The address of its registered office and principal place of business is Rua Passeio Alegre 624, 4169-002, Porto, Portugal.

RAR – Sociedade de Controle (Holding) SA is the largest group to consolidate these financial statements, and copies of its consolidated financial statements can be obtained from the address above. Vitacress Limited is the smallest group to consolidate these financial statements, and copies of its consolidated financial statements can be obtained from the Secretary at Vitacress Limited, Lagness Road, Runcton, Chichester, West Sussex, PO20 1LJ, UK.

23. Related party transactions – continued**23.1 Trading Transactions**

During the year, the Company entered into the following trading transactions, in relation to the Company's principal activities, with related parties:

	Sales of goods and services rendered	
	2019	2018
	£	£
D H Clifton & associates	848,989	810,746
Immediate parent	376,900	363,050
	<u>1,225,889</u>	<u>1,173,796</u>

In addition to the above trading transactions, the Company (was charged by)/made charges to fellow subsidiaries, which include all companies that are subsidiaries of Vitacress Limited as follows:

	2019	2018
	£	£
Group tax relief claimed	(20,534)	(16,742)
Dividend to immediate parent company	(100,000)	(100,000)
Interest on group loan payable to intermediate parent	(10,541)	(7,660)
	<u>(131,075)</u>	<u>(124,402)</u>

The following balances were outstanding at the end of the reporting year:

	Amounts owed by related parties		Amounts owed to related parties	
	2019	2018	2019	2018
	£	£	£	£
Intermediate parent	-	-	(41,930)	(24,350)
Immediate parent	367,894	369,455	(13,367)	(94)
Fellow subsidiary	640	640	-	-
Group companies	368,534	370,095	(55,297)	(24,444)
D H Clifton & associates	116,107	58,615	-	(40,352)
	<u>484,641</u>	<u>428,710</u>	<u>(55,297)</u>	<u>(64,796)</u>

The amounts outstanding are unsecured; interest free trading balances repayable in accordance with the standard terms of trade. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

23. Related party transactions – continued**23.2 Loans from related parties**

	2019	2018
	£	£
Intermediate parent	<u>(580,913)</u>	<u>(493,448)</u>

The loans from the immediate parent are unsecured and attract interest at a fixed rate of 2.21% (2.25% 2018) above the 3 months LIBOR ruling in the month preceding the month in which the loan was made. The loans are considered by management to be short-term and are repayable on demand.

23.3 Key management compensation

Key management comprises the executive directors of the parent company. The compensation paid or payable to key management for employee services is shown in note 8.

24. Obligations under leases**24.1 Under IFRS16**

Maturity analysis – Contractual undiscounted cash flows

	2019
	£
Amounts payable under lease contracts	
Less than one year	44,178
One to five years	31,233
More than five years	-
Total undiscounted lease liabilities at 31 December	<u>75,411</u>

24.2 Under IAS17 - Operating lease arrangements*Leasing arrangements*

Operating leases relate to leases of land, buildings, vehicles and equipment with lease terms of between 2 and 5 years. The company does not have an option to purchase the leased assets at the expiry of the lease periods.

	2019	2018
	£	£
<i>Payments recognised as an expense</i>		
Minimum lease payments	-	-
<i>Non-cancellable operating lease commitments</i>		
	2019	2018
	£	£
Not later than 1 year	-	21,605
Later than 1 year and not later than 5 years	-	31,534
Later than 5 years	-	-
	<u>-</u>	<u>53,139</u>

25. Events after the reporting period

In the period since the year end, the COVID-19 global pandemic has had a significant impact on the wider UK and global economy. The Company considers the global pandemic to be a non-adjusting post balance sheet event.

Our operations have not been materially impacted by the COVID-19 pandemic and the company is still providing contract farming services in line with agreements which are still active for a period of at least 12 months from signing of these financial statements. The farming services provided relate to fresh produce, for which there is still an ongoing market during the global pandemic.