

J.R. HOLLAND (FOOD SERVICES) LIMITED

REPORT AND FINANCIAL STATEMENTS

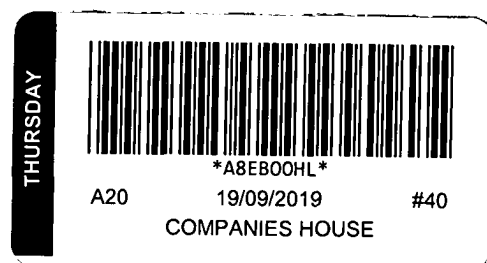
FOR THE PERIOD ENDED 27 APRIL 2019



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J.R. HOLLAND (FOOD SERVICES) LIMITED

COMPANY INFORMATION

Directors	J Holland D Hutchinson H Fletcher
Company secretary	H Fletcher
Registered number	03031294
Registered office	245 Dukesway Team Valley Trading Estate Gateshead Tyne & Wear NE11 0PZ
Independent auditor	Ryecroft Glenton Chartered Accountants & Statutory Auditors 32 Portland Terrace Newcastle upon Tyne NE2 1QP
Bankers	Royal Bank of Scotland 31 Grey Street Newcastle upon Tyne NE1 6ES
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

J.R. HOLLAND (FOOD SERVICES) LIMITED

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J.R. HOLLAND (FOOD SERVICES) LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 27 APRIL 2019

Review of the business and future developments

The directors are satisfied with the results for the period. The Company's financial and other performance indicators during the period were as follows:

	2019 (52 weeks) £'000	2018 (52 weeks) £'000	Change %
Turnover	11,170	10,626	5.1%
Gross Margin	3,779	3,595	5.1%
Operating Profit	376	262	43.5%
Gross Margin %	33.8%	33.8%	0.0%

The current period to date is in line with expectations. The directors have continued to focus their attention on winning more consistent rather than seasonal business and trying to stabilise rising costs. This has resulted in a satisfactory financial performance in the period to date.

It is the directors' intention to further develop the Company's customer base and to offer a wider product range whilst further improving the quality of service for which the Company has already become well known.

Principal risks and uncertainties

The main risks associated with the Company's financial assets and liabilities are set out below. The Company does not undertake any hedging activity. Significant financial risks from a Company perspective are addressed on a case by case basis.

Competitive risk

Distribution in the UK is extremely challenging, with a constant pressure to move to a low cost environment. To that end it has, and will, continue to be very difficult to win new business costed for distribution in the UK. However, the Company continues to implement cost cutting measures whilst maintaining high standards in the market.

Credit risk

The Company's policy is aimed at minimising such losses, and requires that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures and overdue debts are monitored with customers subject to credit limits to ensure that the Company's exposure to bad debts is not significant.

Foreign currency risk

The Company does not undertake transactions in foreign currencies and therefore the directors do not consider there to be any exposure as a result of the fluctuations in foreign exchange rates.

This report was approved by the board on 16 September 2019 and signed on its behalf.



H Fletcher
Secretary

J.R. HOLLAND (FOOD SERVICES) LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 27 APRIL 2019**

The directors present their report and the financial statements for the period ended 27 April 2019.

Principal activity

The principal activity of the Company is the temperature controlled distribution of fresh fruit, vegetables and dairy products.

Directors

The directors who served during the period were:

J Holland
D Hutchinson
H Fletcher

Results and dividends

The profit for the period, after taxation, amounted to £297,849 (2018 - £200,122).

The directors recommended and paid a dividend during the period of £NIL (2018 - £20,000).

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:


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

Auditors

The auditors during the period were Ryecroft Glenton.

Auditors will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 September 2019 and signed on its behalf.



H Fletcher
Secretary

J.R. HOLLAND (FOOD SERVICES) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 27 APRIL 2019**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

J.R. HOLLAND (FOOD SERVICES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED

Opinion

We have audited the financial statements of J.R. Holland (Food Services) Limited (the 'Company') for the period ended 27 April 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 27 April 2019 and of its profit for the period 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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.

J.R. HOLLAND (FOOD SERVICES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 the 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.

J.R. HOLLAND (FOOD SERVICES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF J.R. HOLLAND (FOOD SERVICES) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Grahame Maughan (Senior Statutory Auditor)

for and on behalf of
Ryecroft Glenton

Statutory Auditors
Newcastle upon Tyne
Statutory Auditors

16 September 2019

J.R. HOLLAND (FOOD SERVICES) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 27 APRIL 2019**

	Note	52 weeks ended 27 April 2019 £	Restated 52 weeks ended 28 April 2018 £
Turnover	4	11,170,442	10,626,301
Cost of sales		(7,391,816)	(7,030,935)
Gross profit		3,778,626	3,595,366
Distribution costs		(2,272,674)	(2,186,113)
Administrative expenses		(1,133,476)	(1,150,162)
Other operating income		3,142	2,882
Operating profit	5	375,618	261,973
Interest receivable and similar income	8	1,477	1,185
Interest payable and expenses	9	(12,088)	(13,465)
Profit before tax		365,007	249,693
Tax on profit	10	(67,158)	(49,571)
Profit for the financial period		297,849	200,122

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

J.R. HOLLAND (FOOD SERVICES) LIMITED
REGISTERED NUMBER: 03031294

BALANCE SHEET
AS AT 27 APRIL 2019

	Note	27 April 2019 £	27 April 2019 £	28 April 2018 £	28 April 2018 £
Fixed assets					
Tangible assets	12		780,664		558,530
Investment property	13		150,000		150,000
			<u>930,664</u>		<u>708,530</u>
Current assets					
Stocks	14	145,747		128,959	
Debtors: amounts falling due after more than one year	15	80,000		-	
Debtors: amounts falling due within one year	15	2,304,082		2,118,517	
Cash at bank and in hand	16	577,623		637,455	
		<u>3,107,452</u>		<u>2,884,931</u>	
Creditors: amounts falling due within one year	17	(1,128,901)		(1,136,546)	
Net current assets			<u>1,978,551</u>		<u>1,748,385</u>
Total assets less current liabilities			<u>2,909,215</u>		<u>2,456,915</u>
Creditors: amounts falling due after more than one year	18		(326,750)		(195,956)
Provisions for liabilities and charges					
Deferred tax	21	(28,679)		(5,022)	
			<u>(28,679)</u>		<u>(5,022)</u>
Net assets			<u>2,553,786</u>		<u>2,255,937</u>
Capital and reserves					
Called up share capital	22		1,000		1,000
Profit and loss account	23		2,552,786		2,254,937
			<u>2,553,786</u>		<u>2,255,937</u>

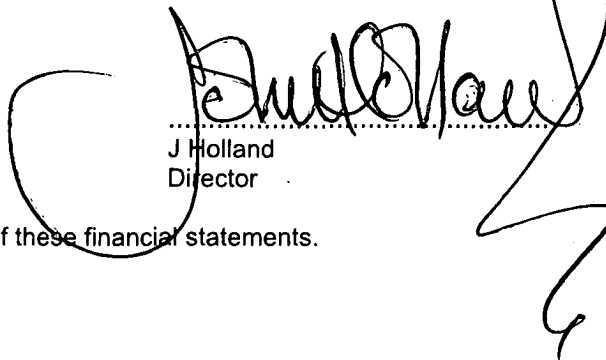
J.R. HOLLAND (FOOD SERVICES) LIMITED
REGISTERED NUMBER: 03031294

BALANCE SHEET (CONTINUED)
AS AT 27 APRIL 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 September 2019.



H Fletcher
Director



J Holland
Director

The notes on pages 13 to 28 form part of these financial statements.

J.R. HOLLAND (FOOD SERVICES) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 APRIL 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	1,000	2,074,815	2,075,815
Profit for the period	-	200,122	200,122
Dividends: Equity capital	-	(20,000)	(20,000)
At 29 April 2018	1,000	2,254,937	2,255,937
Profit for the period	-	297,849	297,849
At 27 April 2019	1,000	2,552,786	2,553,786

The notes on pages 13 to 28 form part of these financial statements.

J.R. HOLLAND (FOOD SERVICES) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 27 APRIL 2019**

	27 April 2019 £	<i>Restated</i> 28 April 2018 £
Cash flows from operating activities		
Profit for the financial period	297,849	200,122
Adjustments for:		
Depreciation of tangible assets	313,359	269,062
Profit on disposal of tangible assets	(3,003)	(9,500)
Interest paid	12,088	13,465
Interest received	(1,477)	(1,185)
(Increase)/decrease in stocks	(16,789)	6,773
Increase in debtors	(265,565)	(133,561)
(Decrease)/increase in creditors	(39,229)	72,067
Corporation tax	58,946	(28,834)
Net cash generated from operating activities	356,179	388,409

J.R. HOLLAND (FOOD SERVICES) LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 27 APRIL 2019

	27 April 2019 £	28 April 2018 £
Cash flows from investing activities		
Purchase of tangible fixed assets	(555,490)	(92,561)
Sale of tangible fixed assets	23,000	9,500
Interest received	1,477	1,185
Finance lease and hire purchase interest paid	(12,087)	(13,466)
Net cash from investing activities	(543,100)	(95,342)
Cash flows from financing activities		
New/(repayment of) finance leases	127,089	(214,748)
Increase in directors'/other loans	-	(350,000)
Dividends paid	-	(20,000)
Net cash used in financing activities	127,089	(584,748)
Net (decrease) in cash and cash equivalents	(59,832)	(291,681)
Cash and cash equivalents at beginning of period	637,455	929,136
Cash and cash equivalents at the end of period	577,623	637,455
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	577,623	637,455

J.R. HOLLAND (FOOD SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2019

1. General information

J.R. Holland (Food Services) Limited is a private limited company, limited by shares, incorporated in England and Wales (no. 03031294). The Registered Office is 245 Dukesway, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0PZ. The principal activity of the Company is the temperature controlled distribution of fresh fruit, vegetables and dairy products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are drawn up to the nearest Saturday to 30 April each year.

The financial statements are prepared in GBP sterling, rounded to the nearest £, which is the functional currency of the Company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the Company's current and future prospects and its availability of financing, and are satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding value added tax and other sales taxes, and after deducting discounts and rebates. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Prior period restatement

Adjustments have been made in the Statement of Comprehensive Income and Statement of Cash flows to reclassify certain income and expenditure. There has been no impact on profit before tax or the movement in cash as a result of these restatements.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- over 2 to 5 years
Motor vehicles	- over 3 to 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

2. Accounting policies (continued)

2.6 Investment property

In accordance with FRS 102, investment properties are revalued annually by the directors and any aggregate surplus or deficit is charged to the profit and loss account.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt FRS 102 in order to give a true and fair view.

If this departure from the Act had not been made, profit for the financial period would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each product to its present location and condition.

Cost is based on the cost of purchase on a first in, first out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

2. Accounting policies (continued)

2.11 Creditors

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

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risk and rewards of ownership of the asset have passed to the Company, are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged in the Statement of Comprehensive Income on a straight line basis over the lease term.

2.14 Pensions

Defined contribution pension plan

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

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined on an undiscounted basis using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenue and expenses during the period.

The following judgements and estimates can have a significant effect on the financial statements:

Stock Valuation and Provisioning

The Company sells fruit and vegetables which is provided against should there be any doubt about the recoverability of cost value.

Provisions for Bad Debts

Provision for bad debt is made through the Statement of Comprehensive Income when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as remote. Provision is also in place for discounts given to customers.

4. Turnover

Turnover is attributable to one continuing activity, the temperature controlled distribution of fresh fruit, vegetables and dairy products.

All turnover arose within the United Kingdom.

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

5. Operating profit

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

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Auditors' remuneration	9,500	13,500
Depreciation of owned fixed assets	56,138	49,201
Depreciation of assets held under finance leases and hire purchase contracts	257,221	219,861
Profit on disposal of tangible assets	(3,003)	(9,500)
Operating lease rentals - land and buildings	81,300	81,300
	<u> </u>	<u> </u>

6. Employees

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

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Wages and salaries	1,891,474	1,785,810
Social security costs	152,504	144,752
Pension costs	26,811	16,963
	<u> </u>	<u> </u>
	2,070,789	1,947,525

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

	52 weeks ended 27 April 2019 No.	52 weeks ended 28 April 2018 No.
Administration	13	13
Distribution	78	75
	<u> </u>	<u> </u>
	91	88

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

7. Directors' remuneration

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Directors' emoluments	118,727	184,310
Company contributions to defined contribution pension schemes	5,803	5,616
	124,530	189,926

During the period retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The directors are considered to be the only key management personnel of the Company.

8. Interest receivable

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Interest receivable	1,477	1,185
	1,477	1,185

9. Interest payable and similar expenses

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Finance leases and hire purchase contracts	12,088	13,465
	12,088	13,465

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

10. Taxation

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Corporation tax		
Current tax on profits for the year	43,501	41,371
Adjustments in respect of previous periods	-	(1,991)
	43,501	39,380
Total current tax	43,501	39,380
Deferred tax		
Origination and reversal of timing differences	23,657	8,491
Adjustments in respect of prior periods	-	1,700
Total deferred tax	23,657	10,191
Taxation on profit on ordinary activities	67,158	49,571

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

10. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	52 weeks ended 27 April 2019 £	52 weeks ended 28 April 2018 £
Profit on ordinary activities before tax	<u>365,007</u>	<u>249,692</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	69,351	47,441
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	493	3,419
Capital allowances for period in excess of depreciation	(26,119)	-
Adjustments to tax charge in respect of prior periods	-	(291)
Changes in provisions leading to an increase (decrease) in the tax charge	(224)	-
Other differences leading to an (decrease)/increase in the tax charge	-	(998)
Deferred tax charge	<u>23,657</u>	<u>-</u>
Total tax charge for the period	<u>67,158</u>	<u>49,571</u>

Factors that may affect future tax charges

A reduction in the corporation tax rate from 19% to 17% from 1 April 2020 was substantively enacted on 15 September 2016 and has been applied to the Company's deferred tax liability at the balance sheet date.

11. Dividends

	27 April 2019 £	28 April 2018 £
Dividends	-	20,000
	<u>-</u>	<u>20,000</u>

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 29 April 2018	408,550	1,424,514	1,833,064
Additions	78,356	477,134	555,490
Disposals	-	(34,695)	(34,695)
At 27 April 2019	<u>486,906</u>	<u>1,866,953</u>	<u>2,353,859</u>
Depreciation			
At 29 April 2018	288,774	985,760	1,274,534
Charge for the period on owned assets	56,138	-	56,138
Charge for the period on financed assets	-	257,221	257,221
Disposals	-	(14,698)	(14,698)
At 27 April 2019	<u>344,912</u>	<u>1,228,283</u>	<u>1,573,195</u>
Net book value			
At 27 April 2019	<u>141,994</u>	<u>638,670</u>	<u>780,664</u>
At 28 April 2018	<u>119,776</u>	<u>438,754</u>	<u>558,530</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	27 April 2019 £	28 April 2018 £
Motor vehicles	552,307	408,757
	<u>552,307</u>	<u>408,757</u>

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

13. Investment property

	Freehold investment property £
Valuation	
At 29 April 2018	150,000
At 27 April 2019	150,000

The 2019 valuation was made by the directors, on an open market value for existing use basis.

If the Investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	27 April 2019 £	28 April 2018 £
Historic cost	150,000	150,000
	150,000	150,000

14. Stocks

	27 April 2019 £	28 April 2018 £
Goods for resale	145,747	128,959
	145,747	128,959

Stock recognised in cost of sales during the period as an expense was £7,391,816 (2018 - £7,030,936).

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

15. Debtors

	27 April 2019 £	28 April 2018 £
Due after more than one year		
Other debtors	80,000	-
	80,000	-
	27 April 2019 £	28 April 2018 £
Due within one year		
Trade debtors	1,783,575	1,679,033
Other debtors	403,550	388,767
Prepayments and accrued income	84,457	50,717
Tax recoverable	32,500	-
	2,304,082	2,118,517

16. Cash and cash equivalents

	27 April 2019 £	28 April 2018 £
Cash at bank and in hand	577,623	637,455
	577,623	637,455

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

17. Creditors: Amounts falling due within one year

	27 April 2019 £	28 April 2018 £
Trade creditors	630,017	679,769
Corporation tax	74,669	39,380
Other taxation and social security	36,580	35,148
Obligations under finance lease and hire purchase contracts	188,011	191,715
Accruals and other creditors	199,624	190,534
	<u>1,128,901</u>	<u>1,136,546</u>

The following liabilities were secured:

	27 April 2019 £	28 April 2018 £
Obligations under finance leases and hire purchase contracts	188,011	191,715
	<u>188,011</u>	<u>191,715</u>

Details of security provided:

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

The Company's bankers hold a debenture over any current or future borrowing liabilities.

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

18. Creditors: Amounts falling due after more than one year

	27 April 2019 £	28 April 2018 £
Obligations under finance leases and hire purchase contracts	326,750	195,956
	326,750	195,956

The following liabilities were secured:

	27 April 2019 £	28 April 2018 £
Net obligations under finance leases and hire purchase contracts	326,750	195,956
	326,750	195,956

Details of security provided:

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

19. Hire purchase and finance leases

	27 April 2019 £	28 April 2018 £
Amounts falling due within one year	188,011	191,715
Amounts falling due between one and two years	143,757	195,956
Amounts falling due between two and five years	182,993	-
	514,761	387,671

J.R. HOLLAND (FOOD SERVICES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

20. Financial instruments

	27 April 2019 £	28 April 2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	577,623	637,455

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

21. Deferred taxation

	2019 £
At beginning of year	(5,022)
Charged to profit or loss	(23,657)
At end of year	(28,679)

The deferred taxation (liability)/asset is made up as follows:

	27 April 2019 £	28 April 2018 £
Accelerated capital allowances	(31,401)	(6,254)
Other timing differences	2,722	1,232
	(28,679)	(5,022)

22. Share capital

	27 April 2019 £	28 April 2018 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1.00 each	1,000	1,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019**

23. Reserves

Profit and loss account

This reserve records the cumulative amount of profits and losses less any distribution of dividends. Movement is detailed in the Statement of Changes in Equity.

24. Pension commitments

The Company operates a defined contribution 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 £26,811 (2018 - £8,487). Contributions totalling £5,298 (2018 - £4,286) were payable to the fund at the balance sheet date and are included in other creditors.

25. Controlling entity and related party transactions

For the whole of the period the Company was under the control of J Holland, a director, due to his interest in 100% of the issued share capital of the Company.

Purchases, net of rebates and value added tax, were made from a limited liability partnership controlled by, a director, with a total value of £2,680,931 (2018 - £2,121,939). The balance owing by the Company at the period end, included within trade creditors was £176,484 (2018 - £185,008), inclusive of value added tax, and £NIL (2018 - £29,400) is included within accruals and other creditors.

In addition an amount of £134,047 (2018 - £107,030), exclusive of value added tax, has been included in the financial statements in respect of a volume rebate. Unpaid rebates and charges totalling £680,783 (2018 - £546,736) and other related party trading balances totalling £2,433 (2018 - £12,260) are included within trade debtors, inclusive of value added tax.

Dividends of £NIL (2018 - £20,000) were paid to a director during the period.

Rent on land and buildings totalling £81,300 (2018 - £81,300) was paid to a director's SIPP.

Included within other debtors is an amount of £100,000 (2018 - £100,000) due from a director. The loan is interest free and repayable on demand.

Included within debtors due after more than one year is an amount of £80,000 (2018 - £NIL) and included in other debtors due within one year is an amount of £20,000 (2018 - £NIL) due from a company under common control. The loan bears interest at 5% over LIBOR and is repayable within five years.