

Registered number: 03031294

**J.R. HOLLAND (FOOD SERVICES) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 28 APRIL 2018**



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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J Holland D Hutchinson H Fletcher
<b>Company secretary</b>	H Fletcher
<b>Registered number</b>	03031294
<b>Registered office</b>	245 Dukesway Team Valley Trading Estate Gateshead Tyne & Wear NE11 0PZ
<b>Independent auditor</b>	Ernst & Young LLP Citygate St James' Boulevard Newcastle upon Tyne NE1 4JD
<b>Bankers</b>	Royal Bank of Scotland 31 Grey Street Newcastle upon Tyne NE1 6ES
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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## J.R. HOLLAND (FOOD SERVICES) LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 28 APRIL 2018

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#### 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:

	2018 (52 weeks) £'000	Restated 2017 (52 weeks) £'000	Change %
Turnover	9,869	10,148	(2.8%)
Gross Margin	3,595	3,554	1.2%
Operating Profit	262	333	(21.3%)
Gross Margin %	36.4%	35.0%	1.4%

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 30 January 2019 and signed on its behalf.



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H Fletcher  
Secretary

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## **J.R. HOLLAND (FOOD SERVICES) LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 28 APRIL 2018**

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The directors present their report and the financial statements for the period ended 28 April 2018.

#### **Principal activity**

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

#### **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.

#### **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 £200,121 (2017 - £243,362).

The directors recommended and paid a dividend during the period of £20,000 (2017 - £36,849).

#### **Disclosure of information to auditors**

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

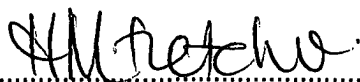
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors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

#### **Auditors**

The auditors during the period were Ernst & Young LLP.

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

This report was approved by the board on 30 January 2019 and signed on its behalf.



H Fletcher  
Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 28 APRIL 2018**

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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.

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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

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**Opinion**

We have audited the financial statements of J.R. Holland (Food Services) Limited (the 'Company') for the period ended 28 April 2018, 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 28 April 2018 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.

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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

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**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.



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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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

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**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](http://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.

Darren Rutherford (Senior Statutory Auditor)

for and on behalf of  
**Ernst & Young LLP**

Statutory Auditors  
Newcastle upon Tyne

30 January 2019

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 28 APRIL 2018**

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	Note	52 weeks ended 28 April 2018 £	Restated 52 weeks ended 29 April 2017 £
Turnover	4	9,869,318	10,148,430
Cost of sales		(6,273,953)	(6,594,547)
<b>Gross profit</b>		<b>3,595,365</b>	<b>3,553,883</b>
Distribution costs		(2,186,113)	(2,181,153)
Administrative expenses		(1,150,162)	(1,045,125)
Other operating income		2,882	5,477
<b>Operating profit</b>	5	<b>261,972</b>	<b>333,082</b>
Interest receivable and similar income	8	1,185	1,624
Interest payable and expenses	9	(13,465)	(19,488)
<b>Profit before tax</b>		<b>249,692</b>	<b>315,218</b>
Tax on profit	10	(49,571)	(71,856)
<b>Profit for the financial period</b>		<b>200,121</b>	<b>243,362</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 28 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 28 APRIL 2018**

	Note	28 April 2018 £	28 April 2018 £	29 April 2017 £	29 April 2017 £
<b>Fixed assets</b>					
Tangible assets	11		558,530		491,456
Investment property	12		150,000		150,000
			<u>708,530</u>		<u>641,456</u>
<b>Current assets</b>					
Stocks	13	114,788		121,561	
Debtors: amounts falling due within one year	14	2,132,687		1,654,295	
Cash at bank and in hand	15	637,455		929,136	
		<u>2,884,930</u>		<u>2,704,992</u>	
Creditors: amounts falling due within one year	16	(1,136,546)		(1,132,142)	
<b>Net current assets</b>			<u>1,748,384</u>		<u>1,572,850</u>
<b>Total assets less current liabilities</b>			<u>2,456,914</u>		<u>2,214,306</u>
Creditors: amounts falling due after more than one year	17		(195,956)		(138,491)
<b>Provisions for liabilities and charges</b>					
Deferred tax	20	(5,022)		-	
			<u>(5,022)</u>		<u>-</u>
<b>Net assets</b>			<u><u>2,255,936</u></u>		<u><u>2,075,815</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		1,000		1,000
Profit and loss account	22		2,254,936		2,074,815
			<u><u>2,255,936</u></u>		<u><u>2,075,815</u></u>

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

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**BALANCE SHEET (CONTINUED)**  
**AS AT 28 APRIL 2018**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 January 2019.



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H Fletcher  
Director



.....  
J Holland  
Director

The notes on pages 12 to 28 form part of these financial statements.

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 28 APRIL 2018**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 May 2016</b>	<b>1,000</b>	<b>1,868,302</b>	<b>1,869,302</b>
Profit for the period	-	243,362	243,362
Dividends: Equity capital	-	(36,849)	(36,849)
<b>At 30 April 2017</b>	<b>1,000</b>	<b>2,074,815</b>	<b>2,075,815</b>
Profit for the period	-	200,121	200,121
Dividends: Equity capital	-	(20,000)	(20,000)
<b>At 28 April 2018</b>	<b>1,000</b>	<b>2,254,936</b>	<b>2,255,936</b>

The notes on pages 12 to 28 form part of these financial statements.

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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	<b>28 April 2018 £</b>	<i>Restated 29 April 2017 £</i>
<b>Cash flows from operating activities</b>		
Profit for the financial period	<b>200,121</b>	<b>243,362</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	<b>269,062</b>	<b>349,266</b>
Profit on disposal of tangible assets	<b>(9,500)</b>	<b>(4,018)</b>
Interest paid	<b>13,465</b>	<b>19,488</b>
Interest received	<b>(1,185)</b>	<b>(1,624)</b>
Decrease/(increase) in stocks	<b>6,773</b>	<b>(7,117)</b>
Increase in debtors	<b>(133,561)</b>	<b>(10,210)</b>
Increase/(decrease) in creditors	<b>72,067</b>	<b>(57,095)</b>
Corporation tax	<b>(28,834)</b>	<b>(10,424)</b>
<b>Net cash generated from operating activities</b>	<b>388,408</b>	<b>521,628</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(92,561)</b>	<b>(41,292)</b>
Sale of tangible fixed assets	<b>9,500</b>	<b>12,000</b>
Interest received	<b>1,185</b>	<b>1,624</b>
Finance lease and hire purchase interest paid	<b>(13,465)</b>	<b>(19,488)</b>
<b>Net cash from investing activities</b>	<b>(95,341)</b>	<b>(47,156)</b>
<b>Cash flows from financing activities</b>		
Increase in directors'/other loans	<b>(350,000)</b>	<b>-</b>
Repayment of/new finance leases	<b>(214,748)</b>	<b>(273,854)</b>
Dividends paid	<b>(20,000)</b>	<b>(36,849)</b>
<b>Net cash used in financing activities</b>	<b>(584,748)</b>	<b>(310,703)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(291,681)</b>	<b>163,769</b>
Cash and cash equivalents at beginning of period	<b>929,136</b>	<b>765,367</b>
<b>Cash and cash equivalents at the end of period</b>	<b>637,455</b>	<b>929,136</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	<b>637,455</b>	<b>929,136</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**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 28 APRIL 2018**

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**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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

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.

**2.6 Investment property**

In accordance with FRS 102, investment properties are revalued annually by the directors and any material aggregate surplus or deficit is transferred to revaluation reserve except for provisions for permanent diminution in value of investment properties which are 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**2. Accounting policies (continued)**

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**2. Accounting policies (continued)**

**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.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018

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**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.

However, the nature of estimation means that actual outcomes could differ from those estimates.

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

***Stock Valuation and Provisioning***

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

***Provisions***

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. 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.

***Taxation***

Judgement is required when determining the provision for taxes. Tax benefits are not recognised unless it is probable that the benefit will be obtained. Tax provisions are made if it is possible that a liability will arise. The Company reviews each significant tax liability or benefit to assess the appropriate accounting treatment. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits.

**4. Turnover**

Turnover is attributable to one continuing activity, the temperature controlled distribution of fresh fruit, vegetables and dairy products. Turnover is stated after discounts of £756,983 (2017 - £592,262).

All turnover arose within the United Kingdom.

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Operating profit**

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

	<b>52 weeks ended 28 April 2018 £</b>	<b>52 weeks ended 29 April 2017 £</b>
Auditors' remuneration	13,500	12,900
Depreciation of owned fixed assets	49,201	50,202
Depreciation of assets held under finance leases and hire purchase contracts	219,861	299,064
Profit on disposal of tangible assets	(9,500)	-
Operating lease rentals - land and buildings	81,300	79,824
	<u>          </u>	<u>          </u>

**6. Employees**

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

	<b>52 weeks ended 28 April 2018 £</b>	<b>52 weeks ended 29 April 2017 £</b>
Wages and salaries	1,785,810	1,703,011
Social security costs	144,752	139,436
Pension costs	8,487	28,635
	<u>          </u>	<u>          </u>
	<b>1,939,049</b>	<b>1,871,082</b>
	<u>          </u>	<u>          </u>

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

	<b>52 weeks ended 28 April 2018 No.</b>	<b>52 weeks ended 29 April 2017 No.</b>
Administration	13	13
Distribution	75	67
	<u>          </u>	<u>          </u>
	<b>88</b>	<b>80</b>
	<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018

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7. Directors' remuneration

	52 weeks ended 28 April 2018 £	52 weeks ended 29 April 2017 £
Directors' emoluments	184,310	182,227
Company contributions to defined contribution pension schemes	5,616	3,870
	<u>189,926</u>	<u>186,097</u>

During the period retirement benefits were accruing to 2 directors (2017 - 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 28 April 2018 £	52 weeks ended 29 April 2017 £
Bank interest receivable	1,185	1,624
	<u>1,185</u>	<u>1,624</u>

9. Interest payable and similar expenses

	52 weeks ended 28 April 2018 £	52 weeks ended 29 April 2017 £
Finance leases and hire purchase contracts	13,465	19,488
	<u>13,465</u>	<u>19,488</u>

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**10. Taxation**

	<b>52 weeks ended 28 April 2018 £</b>	<b>52 weeks ended 29 April 2017 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>41,371</b>	<b>78,405</b>
Adjustments in respect of previous periods	<b>(1,991)</b>	<b>4,233</b>
	<b>39,380</b>	<b>82,638</b>
<b>Total current tax</b>	<b>39,380</b>	<b>82,638</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>8,491</b>	<b>(10,471)</b>
Adjustments in respect of prior periods	<b>1,700</b>	<b>(311)</b>
<b>Total deferred tax</b>	<b>10,191</b>	<b>(10,782)</b>
<b>Taxation on profit on ordinary activities</b>	<b>49,571</b>	<b>71,856</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018

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10. Taxation (continued)

**Factors affecting tax charge for the period**

The tax assessed for the period is different to the standard rate of corporation tax in the UK of 19.00% (2017 - 19.92%). The differences are explained below:

	<b>52 weeks ended 28 April 2018 £</b>	<b>52 weeks ended 29 April 2017 £</b>
Profit on ordinary activities before tax	<b>249,692</b>	<b>315,218</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.92%)	<b>47,441</b>	<b>62,791</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>3,419</b>	<b>3,355</b>
Adjustments to tax charge in respect of prior periods	<b>(291)</b>	<b>3,922</b>
Other differences leading to an (decrease)/increase in the tax charge	<b>(998)</b>	<b>1,788</b>
<b>Total tax charge for the period</b>	<b>49,571</b>	<b>71,856</b>

**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 asset at the balance sheet date.



**J.R. HOLLAND (FOOD SERVICES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

**11. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 30 April 2017	328,760	1,471,299	1,800,059
Additions	79,790	256,346	336,136
Disposals	-	(303,131)	(303,131)
At 28 April 2018	408,550	1,424,514	1,833,064
<b>Depreciation</b>			
At 30 April 2017	241,756	1,066,847	1,308,603
Charge for the period on owned assets	47,018	2,183	49,201
Charge for the period on financed assets	-	219,861	219,861
Disposals	-	(303,131)	(303,131)
At 28 April 2018	288,774	985,760	1,274,534
<b>Net book value</b>			
At 28 April 2018	119,776	438,754	558,530
At 29 April 2017	87,004	404,452	491,456

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

	28 April 2018 £	29 April 2017 £
Motor vehicles	408,757	391,629
	408,757	391,629

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018

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12. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 30 April 2017	150,000
<b>At 28 April 2018</b>	<b>150,000</b>

The 2018 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:

	28 April 2018 £	29 April 2017 £
Historic cost	150,000	150,000
	<b>150,000</b>	<b>150,000</b>

13. Stocks

	28 April 2018 £	29 April 2017 £
Goods for resale	114,788	121,561
	<b>114,788</b>	<b>121,561</b>

Stock recognised in cost of sales during the period as an expense was £6,273,953 (2017 - £6,594,547).

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**14. Debtors**

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
Trade debtors	<b>1,679,033</b>	<b>1,538,846</b>
Other debtors	<b>388,767</b>	<b>37,952</b>
Prepayments and accrued income	<b>64,887</b>	<b>72,328</b>
Deferred taxation	<b>-</b>	<b>5,169</b>
	<b><u>2,132,687</u></b>	<b><u>1,654,295</u></b>

**15. Cash and cash equivalents**

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
Cash at bank and in hand	<b>637,455</b>	<b>929,136</b>
	<b><u>637,455</u></b>	<b><u>929,136</u></b>

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**16. Creditors: Amounts falling due within one year**

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
Trade creditors	<b>679,769</b>	633,499
Corporation tax	<b>39,380</b>	78,405
Other taxation and social security	<b>35,148</b>	27,677
Obligations under finance lease and hire purchase contracts	<b>191,715</b>	220,352
Accruals and other creditors	<b>190,534</b>	172,209
	<b><u>1,136,546</u></b>	<b><u>1,132,142</u></b>

The following liabilities were secured:

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
Obligations under finance leases and hire purchase contracts	<b>191,715</b>	220,352
	<b><u>191,715</u></b>	<b><u>220,352</u></b>

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018

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

	28 April 2018 £	29 April 2017 £
Obligations under finance leases and hire purchase contracts	195,956	138,491
	<u>195,956</u>	<u>138,491</u>

The following liabilities were secured:

	28 April 2018 £	29 April 2017 £
Net obligations under finance leases and hire purchase contracts	195,956	138,491
	<u>195,956</u>	<u>138,491</u>

Details of security provided:

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

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

18. Hire purchase and finance leases

	28 April 2018 £	29 April 2017 £
Amounts falling due within one year	191,715	220,352
Amounts falling due between one and two years	195,956	82,790
Amounts falling due between two and five years	-	55,701
	<u>387,671</u>	<u>358,843</u>

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**J.R. HOLLAND (FOOD SERVICES) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**19. Financial instruments**

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>637,455</b>	<b>929,136</b>

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

**20. Deferred taxation**

	<b>2018 £</b>
At beginning of year (asset)	<b>5,169</b>
Charged to profit or loss	<b>(10,191)</b>
<b>At end of year (liability)</b>	<b>(5,022)</b>

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

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
Accelerated capital allowances	<b>(6,254)</b>	<b>4,665</b>
Other timing differences	<b>1,232</b>	<b>504</b>
	<b>(5,022)</b>	<b>5,169</b>

**21. Share capital**

	<b>28 April 2018 £</b>	<b>29 April 2017 £</b>
<b>Authorised, allotted, called up and fully paid</b>		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<b>1,000</b>	<b>1,000</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 28 APRIL 2018**

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**22. 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 Income and Retained Earnings.

**23. 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 £8,487 (2017 - £28,635). Contributions totalling £4,286 (2017 - £Nil) were payable to the fund at the balance sheet date and are included in other creditors.

**24. 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 J R Holland Produce LLP, a limited liability partnership controlled by J Holland, a director, with a total value of £2,121,939 (2017 - £2,430,117). The balance owing by the Company at the period end to J R Holland Produce LLP, included within trade creditors was £185,008 (2017 - £110,818), inclusive of value added tax, and £29,400 (2017 - £30,052) is included within accruals and other creditors.

In addition an amount of £107,030 (2017 - £122,330), exclusive of value added tax, has been included in the financial statements in respect of a volume rebate from J R Holland Produce LLP. Unpaid rebates and charges totalling £546,736 (2017 - £439,706) and other related party trading balances totalling £12,260 (2017 - £5,435) are included within trade debtors, inclusive of value added tax.

Dividends of £20,000 (2017 - £36,849) were paid to J Holland during the period.

Rent on land and buildings totalling £81,300 (2017 - £79,824) was paid to J Holland SIPP.

Included within other debtors is an amount of £100,000 (2017 - £Nil) due from J Holland. The loan is interest free and repayable on demand.