

# Financial Statements

## J B Shropshire & Sons Limited

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For the period ended 31 October 2015

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Registered number: 03516726

**J B Shropshire & Sons Limited**  
**Registered number: 03516726**

## Company Information

<b>Directors</b>	J B Shropshire D Thompson
<b>Company secretary</b>	D Thompson
<b>Registered number</b>	03516726
<b>Registered office</b>	Hainey Farm Barway Road ELY Cambridgeshire CB7 5TZ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW
<b>Bankers</b>	The Royal Bank of Scotland PLC 62/63 Threadneedle Street PO Box 412 London EC2R 8LA

J B Shropshire & Sons Limited  
Registered number: 03516726

## Contents

	Page
<b>Group strategic report</b>	1
<b>Directors' report</b>	2 - 4
<b>Independent auditor's report</b>	5 - 6
<b>Consolidated profit and loss account</b>	7
<b>Consolidated balance sheet</b>	8 - 9
<b>Company balance sheet</b>	10
<b>Consolidated cash flow statement</b>	11
<b>Reconciliation of Net Cash Flow to Movement in Net Funds/Debt</b>	11
<b>Notes to the financial statements</b>	12 - 32

# **Group Strategic Report**

**For the period ended 31 October 2015**

## **Business review**

The reported results of the group are for eighteen months, including two summers, which is when the majority of the business's activity occurs, this allied with overheads being incurred over a year has resulted in the exceptional performance for the 78 weeks to October 2015. The Directors are satisfied with the performance of the company and expect it to trade profitably in the future.

## **Principal risks and uncertainties**

The group operates in a challenging economic climate, in which inflationary pressure on costs must be balanced against the price expectations of our ultimate customers. The nature of the business, being the farming of fresh produce, means the group is always faced with the uncertainties of the weather and its impact upon both supply and demand of the ultimate customers.

## **Financial key performance indicators**

Turnover is a key measure of the group's performance. Sales for the period were £94.2m (2014: £72.6m).

Overall profitability is a key indicator of the group's performance. The profit for the financial period was £3.8m (2014: £1.8m).

Working capital management is seen as an important target for the business. At the period end, the net current asset level was £7.1m (2014: £4.4m).

## **Other key performance indicators**

Maintaining health and safety standards across the group is seen as a key issue by the directors. The group continues to invest in health and welfare of its employees and customers.

Energy consumption and pollution controls are key measures. The group is committed to the continuing improvement of energy efficiency and reducing any pollution risk.

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

  
**D Thompson**  
**Director**

Date: 26/8/16

## **Directors' Report**

**For the period ended 31 October 2015**

The directors present their report and the audited financial statements for the period ended 31 October 2015.

### **Directors**

The directors who served during the period were:

J B Shropshire  
D Thompson

### **Principal activities**

The principal activity of the group is farming.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Dividends**

A dividend of £nil has been declared during the period (2014: £nil).

## Directors' Report

For the period ended 31 October 2015

### **Principal financial risks and uncertainties**

The group operates in a challenging economic climate, in which inflationary pressure on costs must be balanced against the price expectations of our ultimate customers. The nature of the business, being the farming of fresh produce, means the group is always faced with the uncertainties of the weather and its impact upon both supply and demand of the ultimate customers.

### **Financial risk management**

The group uses various financial instruments including loans, cash, overdrafts and various items including trade debtors that arise directly from its operations. The main purpose of these instruments is to finance the companies' ongoing operations and capital expenditure program. Their existence exposes the group to a number of financial risks, primarily interest rate, currency and credit risk.

#### **Interest rate risk**

The group's exposure to interest rate risk is limited to that associated with the loans disclosed in notes 16 and 17. An interest rate swap has been used during the period to reduce the group's interest rate exposure.

#### **Currency risk**

The group is exposed to transaction foreign exchange risk. Transaction exposure, including those associated with forecast transactions, are managed through the use of bank accounts held in foreign currencies.

#### **Credit risk**

The group's exposure to credit risk lies principally with trade debtors. This not considered a high risk as 34% (2014: 23%) of the group's turnover is with G's Growers Limited, a cooperative with 21 active members within the UK and Spain, who via marketing agents trade with major supermarket multiples, processors and wholesale markets. The credit terms with G's Growers Limited is 28 days. Other customers; credit terms are based on payment history and reviewed on a regular basis.

### **Employee involvement**

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved through consultations with employee representatives.

## Directors' Report

For the period ended 31 October 2015

### Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

### Disclosure of information to auditor

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

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

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**D Thompson**  
Director

Date: 26/8/16



## Independent Auditor's Report to the Members of J B Shropshire & Sons Limited

We have audited the financial statements of J B Shropshire & Sons Limited for the period ended 31 October 2015, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2015 and of the group's 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.





## Independent Auditor's Report to the Members of J B Shropshire & Sons Limited

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

*Grant Thornton UK LLP*  
John Corbishley (Senior statutory auditor)  
for and on behalf of

Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Milton Keynes

Date: 30/8/2016 .

## Consolidated Profit and Loss Account

For the period ended 31 October 2015

	Note	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
<b>Turnover</b>	1,2	<b>94,176,764</b>	72,595,095
Cost of sales		<u>(83,989,875)</u>	<u>(66,770,644)</u>
<b>Gross profit</b>		<b>10,186,889</b>	5,824,451
Administrative expenses		(9,995,990)	(4,956,193)
Other operating income	3	7,001,702	2,434,576
Other operating charges		<u>(135,527)</u>	<u>(80,289)</u>
<b>Operating profit</b>	4	<b>7,057,074</b>	3,222,545
Income from interests in associated undertakings		557,893	(281,905)
Interest receivable and similar income		950,394	701,303
Interest payable and similar charges	7	<u>(1,414,151)</u>	<u>(838,032)</u>
<b>Profit on ordinary activities before taxation</b>		<b>7,151,210</b>	2,803,911
Tax on profit on ordinary activities	8	<u>(2,305,017)</u>	<u>(687,662)</u>
<b>Profit on ordinary activities after taxation</b>		<b>4,846,193</b>	2,116,249
Minority interests		<u>(1,091,177)</u>	<u>(301,472)</u>
<b>Profit for the financial period</b>	19	<b><u>3,755,016</u></b>	<b><u>1,814,777</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 12 to 32 form part of these financial statements.

## Consolidated Balance Sheet

As at 31 October 2015

	Note	£	31 October 2015 £	£	3 May 2014 £
<b>Fixed assets</b>					
Intangible assets	9		6,643		-
Tangible assets	10		18,846,785		18,122,792
Investments	11		5,970,020		5,970,020
Investments in associates	11		1,145,562		294,804
			<u>25,969,010</u>		<u>24,387,616</u>
<b>Current assets</b>					
Stocks	12	6,321,188		6,741,965	
Debtors: amounts falling due after more than one year	13	2,187,683		-	
Debtors: amounts falling due within one year	13	14,421,133		24,991,678	
Cash at bank		1,379,976		1,188,187	
		<u>24,309,980</u>		<u>32,921,830</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(17,162,590)</u>		<u>(28,483,035)</u>	
<b>Net current assets</b>			<u>7,147,390</u>		<u>4,438,795</u>
<b>Total assets less current liabilities</b>			<u>33,116,400</u>		<u>28,826,411</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(7,018,946)</u>		<u>(7,487,922)</u>
<b>Provisions for liabilities</b>					
Deferred tax	17		-		(851)
<b>Net assets</b>			<u>26,097,454</u>		<u>21,337,638</u>
<b>Capital and reserves</b>					
Called up share capital	18		2,300,000		2,300,000
Profit and loss account	19		21,708,936		18,053,920
<b>Shareholders' funds</b>	20		<u>24,008,936</u>		<u>20,353,920</u>
<b>Minority interests</b>	22		<u>2,088,518</u>		<u>983,718</u>
			<u>26,097,454</u>		<u>21,337,638</u>

**J B Shropshire & Sons Limited**  
**Registered number: 03516726**

## **Consolidated Balance Sheet (continued)**

**As at 31 October 2015**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**J B Shropshire**  
Director

Date: 26/8/16

The notes on pages 12 to 32 form part of these financial statements.

## Company Balance Sheet

As at 31 October 2015

	Note	£	31 October 2015 £	£	3 May 2014 £
<b>Fixed assets</b>					
Intangible assets	9		6,643		-
Tangible assets	10		1,714,313		1,907,213
Investments	11		9,593,238		9,236,958
			<u>11,314,194</u>		<u>11,144,171</u>
<b>Current assets</b>					
Stocks	12	-		2,605,065	
Debtors: amounts falling due after more than one year	13	4,187,683		4,419,423	
Debtors: amounts falling due within one year	13	12,781,103		11,525,044	
Cash at bank		165,783		39,358	
			<u>17,134,569</u>	<u>18,588,890</u>	
<b>Creditors: amounts falling due within one year</b>	14	(8,155,607)		(9,472,265)	
<b>Net current assets</b>			<u>8,978,962</u>		<u>9,116,625</u>
<b>Total assets less current liabilities</b>			<u>20,293,156</u>		<u>20,260,796</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(6,633,428)		(6,864,052)
<b>Net assets</b>			<u><u>13,659,728</u></u>		<u><u>13,396,744</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		2,300,000		2,300,000
Profit and loss account	19		11,359,728		11,096,744
<b>Shareholders' funds</b>	20		<u><u>13,659,728</u></u>		<u><u>13,396,744</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/8/16



**J B Shropshire**  
Director

The notes on pages 12 to 32 form part of these financial statements.

## Consolidated Cash Flow Statement

For the period ended 31 October 2015

		<b>78 weeks ended 31 October 2015</b>	<b>52 weeks ended 3 May 2014</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Net cash flow from operating activities	23	13,161,118	5,526,207
Returns on investments and servicing of finance	24	94,136	(257,206)
Taxation		(735,711)	(1,509,683)
Capital expenditure and financial investment	24	(5,222,279)	(3,586,014)
Acquisitions and disposals	24	(348,335)	(675,000)
Equity dividends paid		(100,000)	-
<b>Cash inflow/(outflow) before financing</b>		<b>6,848,929</b>	<b>(501,696)</b>
Financing	24	(994,509)	(2,480,175)
<b>Increase/(Decrease) in cash in the period</b>		<b>5,854,420</b>	<b>(2,981,871)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the period ended 31 October 2015

	<b>78 weeks ended 31 October 2015</b>	<b>52 weeks ended 3 May 2014</b>
	<b>£</b>	<b>£</b>
Increase/(Decrease) in cash in the period	5,854,420	(2,981,871)
Cash outflow from decrease in debt and lease financing	994,509	2,480,175
<b>Movement in net debt in the period</b>	<b>6,848,929</b>	<b>(501,696)</b>
Net debt at 4 May 2014	(12,982,846)	(12,481,150)
<b>Net debt at 31 October 2015</b>	<b>(6,133,917)</b>	<b>(12,982,846)</b>

The notes on pages 12 to 32 form part of these financial statements.

# Notes to the Financial Statements

For the period ended 31 October 2015

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

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

### 1.2 Basis of consolidation

The financial statements consolidate the accounts of J B Shropshire & Sons Limited and all of its subsidiary undertakings ('subsidiaries').

### 1.3 Turnover

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

### 1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided on sugar beet quota over 5 years straight line on cost.

Amortisation is provided on single farm payment (SFP) entitlements over 8 years straight line on cost.

### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Land nil, buildings 10-20 years straight line on cost
Leasehold property improvements	-	10-25 years straight line on cost
Plant & machinery	-	25% reducing balance and 3-10 years straight line on cost

Assets under the course of construction are not depreciated.

### 1.6 Investments

#### (i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

#### (ii) Associated undertakings

Investments in associates are stated at the amount of the company's share of net assets. The Profit and loss account includes the company's share of the associated companies' profits after taxation using the equity accounting basis.

#### (iii) Other investments

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

# Notes to the Financial Statements

For the period ended 31 October 2015

## 1. Accounting Policies (continued)

### 1.7 Hire purchase

Assets obtained under hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their useful lives. The finance leases are allocated over the period of the lease rentals in proportion to the capital element outstanding.

### 1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

### 1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 1.10 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

### 1.11 Foreign currencies

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

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

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



## Notes to the Financial Statements

For the period ended 31 October 2015

### **1. Accounting Policies (continued)**

#### **1.12 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

#### **1.13 Pensions**

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

#### **1.14 Single Payment**

Single payments are receivable on an annual basis. The annual payment only becomes receivable once the occupation period has been completed. Once the occupation period is completed, the income is recognised.

#### **1.15 Financial Instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

### **2. Turnover**

The whole of the turnover is attributable to farming.

All turnover arose within the United Kingdom.

# Notes to the Financial Statements

For the period ended 31 October 2015

## 3. Other operating income

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Other operating income	7,001,702	2,434,576

## 4. Operating profit

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

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Amortisation - intangible fixed assets	1,107	161,428
Depreciation of tangible fixed assets:		
- owned by the group	4,159,802	2,195,894
- held under finance leases	162,473	410,437
Auditor's remuneration	31,820	47,550
Auditor's remuneration - non-audit	18,390	15,700
Operating lease rentals:		
- plant and machinery	3,875,281	1,854,982
Difference on foreign exchange	72,657	13,719

## 5. Staff costs

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

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Wages and salaries	21,308,673	12,874,786
Social security costs	1,623,088	1,002,128
Other pension costs	370,532	198,041
	23,302,293	14,074,955

# Notes to the Financial Statements

For the period ended 31 October 2015

## 5. Staff costs (continued)

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

	78 weeks ended 31 October 2015 No.	52 weeks ended 3 May 2014 No.
Directors	2	2
Other	750	654
	<u>752</u>	<u>656</u>

## 6. Directors' remuneration

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Remuneration	<u>334,094</u>	<u>228,911</u>
Company pension contributions to defined contribution pension schemes	<u>23,250</u>	<u>15,000</u>

The highest paid director received remuneration of £333,547 (2014 - £163,547).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,250 (2014 - £15,000).

The directors Mr J B Shropshire and Mr D Thompson are also directors of the subsidiary companies, Riverfen Farms Limited, Cotswold Compost Ltd, Cambs Farms Growers Limited, Sandfields Farms Limited and Chelbury Mushroom Farms Limited. However, it is not practicable to allocate their remuneration between their services as directors of J B Shropshire & Sons Limited and their services as directors to the subsidiaries.

# Notes to the Financial Statements

For the period ended 31 October 2015

## 7. Interest payable

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
On bank loans and overdrafts	154,302	251,661
On other loans	1,200,949	523,964
On finance leases and hire purchase contracts	58,900	62,407
	<u>1,414,151</u>	<u>838,032</u>

## 8. Taxation

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
<b>Analysis of tax charge in the period</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period	2,133,784	827,708
Adjustments in respect of prior periods	212,211	(203,683)
<b>Total current tax</b>	<u>2,345,995</u>	<u>624,025</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(82,716)	26,935
Short term timing differences	41,738	37,677
Adjustment in respect of prior periods	-	(975)
<b>Total deferred tax</b> (see note 17)	<u>(40,978)</u>	<u>63,637</u>
<b>Tax on profit on ordinary activities</b>	<u>2,305,017</u>	<u>687,662</u>

# Notes to the Financial Statements

For the period ended 31 October 2015

## 8. Taxation (continued)

### Factors affecting tax charge for the period

The tax assessed for the period is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 22.83% (2014 - 22.83%). The differences are explained below:

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Profit on ordinary activities before tax	7,151,210	2,803,911
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.61% (2014 - 22.83%)	1,453,254	640,133
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	828,186	285,388
Capital allowances for period in excess of depreciation	239,118	(15,739)
Utilisation of tax losses	(273,325)	-
Adjustments to tax charge in respect of prior periods	212,211	(203,683)
Other timing differences leading to an increase (decrease) in taxation	(113,449)	(82,074)
<b>Current tax charge for the period (see note above)</b>	<b>2,345,995</b>	<b>624,025</b>

## Notes to the Financial Statements

For the period ended 31 October 2015

**9. Intangible fixed assets**

Group	Tenancy £	Sugar beet quota £	SPS entitlement £	Goodwill £	Negative goodwill £
<b>Cost</b>					
At 4 May 2014	1,250,000	30,152	118,803	1,278,007	(72,220)
Additions	-	-	7,750	-	-
At 31 October 2015	1,250,000	30,152	126,553	1,278,007	(72,220)
<b>Amortisation</b>					
At 4 May 2014	1,250,000	30,152	118,803	1,278,007	(72,220)
Charge for the period	-	-	1,107	-	-
At 31 October 2015	1,250,000	30,152	119,910	1,278,007	(72,220)
<b>Net book value</b>					
At 31 October 2015	-	-	6,643	-	-
At 3 May 2014	-	-	-	-	-
<b>Group</b>					<b>Total</b>
<b>Cost</b>					<b>£</b>
At 4 May 2014					2,604,742
Additions					7,750
At 31 October 2015					2,612,492
<b>Amortisation</b>					
At 4 May 2014					2,604,742
Charge for the period					1,107
At 31 October 2015					2,605,849
<b>Net book value</b>					
At 31 October 2015					6,643
At 3 May 2014					-

# Notes to the Financial Statements

For the period ended 31 October 2015

## 9. Intangible fixed assets (continued)

Company	Tenancy £	SPS entitlement £	Total £
<b>Cost</b>			
At 4 May 2014	1,250,000	118,803	1,368,803
Additions	-	7,750	7,750
At 31 October 2015	1,250,000	126,553	1,376,553
<b>Amortisation</b>			
At 4 May 2014	1,250,000	118,803	1,368,803
Charge for the period	-	1,107	1,107
At 31 October 2015	1,250,000	119,910	1,369,910
<b>Net book value</b>			
At 31 October 2015	-	6,643	6,643
At 4 May 2014	-	-	-

## 10. Tangible fixed assets

Group	Freehold property £	Leasehold property improve- ments £	Plant & machinery £	Assets in the course of con- struction £	Total £
<b>Cost</b>					
At 4 May 2014	12,528,832	2,414,811	17,083,071	856,057	32,882,771
Additions	493,340	252,228	4,777,327	6,227	5,529,122
Transfers	-	(340,539)	788,640	-	448,101
Disposals	(10,477)	(55,729)	(2,109,343)	-	(2,175,549)
At 31 October 2015	13,011,695	2,270,771	20,539,695	862,284	36,684,445
<b>Depreciation</b>					
At 4 May 2014	2,040,450	1,063,581	11,655,948	-	14,759,979
Charge for the period	842,048	146,726	3,334,021	-	4,322,795
Transfers	-	(25,970)	582,820	-	556,850
On disposals	(582)	(55,729)	(1,745,653)	-	(1,801,964)
At 31 October 2015	2,881,916	1,128,608	13,827,136	-	17,837,660
<b>Net book value</b>					
At 31 October 2015	10,129,779	1,142,163	6,712,559	862,284	18,846,785
At 4 May 2014	10,488,382	1,351,230	5,427,123	856,057	18,122,792

## Notes to the Financial Statements

For the period ended 31 October 2015

**10. Tangible fixed assets (continued)**

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

	31 October 2015	3 May 2014
Group	£	£
Plant and machinery	1,334,561	1,402,030

Included within freehold property is land at cost £1,751,227 (2014: £1,751,227), which is not depreciated.

Company	Freehold property £	Plant & machinery £	Total £
<b>Cost</b>			
At 4 May 2014	2,765,848	76,017	2,841,865
Additions	-	18,594	18,594
Transfers intra group	-	(49,366)	(49,366)
At 31 October 2015	2,765,848	45,245	2,811,093
<b>Depreciation</b>			
At 4 May 2014	881,845	52,807	934,652
Charge for the period	169,952	1,879	171,831
Transfers intra group	-	(9,703)	(9,703)
At 31 October 2015	1,051,797	44,983	1,096,780
<b>Net book value</b>			
At 31 October 2015	1,714,051	262	1,714,313
At 3 May 2014	1,884,003	23,210	1,907,213

Included within freehold property is land at cost £472,906 (2014: £472,906), which is not depreciated.



# Notes to the Financial Statements

For the period ended 31 October 2015

## 11. Fixed asset investments

Group	Investments in associates £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 4 May 2014	294,804	5,970,020	6,264,824
Additions	449,790	-	449,790
On disposal of subsidiaries	(101,455)	-	(101,455)
Share of profits and losses	502,423	-	502,423
At 31 October 2015	<u>1,145,562</u>	<u>5,970,020</u>	<u>7,115,582</u>
<b>Net book value</b>			
At 31 October 2015	<u>1,145,562</u>	<u>5,970,020</u>	<u>7,115,582</u>
At 3 May 2014	<u>294,804</u>	<u>5,970,020</u>	<u>6,264,824</u>

  

Company	Investments in subsidiary companies £	Investments in associates £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>				
At 4 May 2014	9,295,607	2,197,815	5,970,000	17,463,422
Additions	-	449,790	-	449,790
On disposal of subsidiaries	-	(93,510)	-	(93,510)
At 31 October 2015	<u>9,295,607</u>	<u>2,554,095</u>	<u>5,970,000</u>	<u>17,819,702</u>
<b>Impairment</b>				
At 4 May 2014 and 31 October 2015	<u>6,876,464</u>	<u>1,350,000</u>	<u>-</u>	<u>8,226,464</u>
<b>Net book value</b>				
At 31 October 2015	<u>2,419,143</u>	<u>1,204,095</u>	<u>5,970,000</u>	<u>9,593,238</u>
At 3 May 2014	<u>2,419,143</u>	<u>847,815</u>	<u>5,970,000</u>	<u>9,236,958</u>

Details of the principal subsidiaries and associates can be found under note number 30.

## Notes to the Financial Statements

For the period ended 31 October 2015

**12. Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>31 October 2015</b>	<b>3 May 2014</b>	<b>31 October 2015</b>	<b>3 May 2014</b>
	£	£	£	£
Raw materials	1,200,187	1,392,528	-	-
Work in progress	4,750,533	4,619,765	-	1,970,626
Finished goods and goods for resale	370,468	729,672	-	634,439
	<b>6,321,188</b>	<b>6,741,965</b>	<b>-</b>	<b>2,605,065</b>

**13. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>31 October 2015</b>	<b>3 May 2014</b>	<b>31 October 2015</b>	<b>3 May 2014</b>
	£	£	£	£
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	2,000,000	3,974,385
Other debtors	2,187,683	-	2,187,683	445,038
	<b>2,187,683</b>	<b>-</b>	<b>4,187,683</b>	<b>4,419,423</b>

	<b>Group</b>		<b>Company</b>	
	<b>31 October 2015</b>	<b>As restated 3 May 2014</b>	<b>31 October 2015</b>	<b>As restated 3 May 2014</b>
	£	£	£	£
<b>Due within one year</b>				
Trade debtors	7,680,450	11,620,911	670,083	2,526,178
Amounts owed by group undertakings	-	-	7,522,182	5,595,389
Other debtors	4,694,135	13,128,483	2,610,515	3,054,763
Prepayments and accrued income	121,352	199,200	109,352	185,718
Tax recoverable	1,885,069	43,084	1,868,971	162,996
Deferred tax asset (see note 17)	40,127	-	-	-
	<b>14,421,133</b>	<b>24,991,678</b>	<b>12,781,103</b>	<b>11,525,044</b>

The prior year deferred tax asset balance has been restated to correctly net off the deferred tax asset and deferred tax provision. This has had no impact on the profit for the period or the net asset position at the period end.

## Notes to the Financial Statements

For the period ended 31 October 2015

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

	<b>Group</b>		<b>Company</b>	
	<b>31 October</b>	<b>3 May</b>	<b>31 October</b>	<b>3 May</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	12,600	6,175,231	-	5,363,641
Net obligations under finance leases and hire purchase contracts	482,347	507,880	-	-
Trade creditors	3,792,827	5,564,695	297,213	765,183
Amounts owed to group undertakings	-	-	2,043,409	-
Corporation tax	2,006,568	396,284	-	-
Other taxation and social security	362,266	324,765	14,653	64,963
Other creditors	8,335,812	14,893,510	3,773,310	2,610,276
Accruals and deferred income	2,170,170	620,670	2,027,022	668,202
	<b>17,162,590</b>	<b>28,483,035</b>	<b>8,155,607</b>	<b>9,472,265</b>

**15. Creditors:****Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>31 October</b>	<b>3 May</b>	<b>31 October</b>	<b>3 May</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	3,500,000	4,000,000	3,500,000	4,000,000
Other loans	3,283,428	3,014,052	3,133,428	2,864,052
Net obligations under finance leases and hire purchase contracts	235,518	473,870	-	-
	<b>7,018,946</b>	<b>7,487,922</b>	<b>6,633,428</b>	<b>6,864,052</b>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31 October</b>	<b>3 May</b>	<b>31 October</b>	<b>3 May</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Between one and five years	235,518	473,870	-	-

## Notes to the Financial Statements

For the period ended 31 October 2015

**16. Borrowings**

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts	3,512,600	10,175,231	3,500,000	9,363,641
Loan from JBS Farming	2,603,051	2,864,052	2,603,051	2,864,052
Loan from subsidiary shareholder	150,000	150,000	-	-
Other loans with connected parties	530,377	-	530,377	-
<b>Total</b>	<b>6,796,028</b>	<b>13,189,283</b>	<b>6,633,428</b>	<b>12,227,693</b>

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£	£	£	£
<b>Analysis of loan repayments</b>				
<b>Bank loans and overdrafts</b>				
In one year or less or on demand	12,600	6,175,231	-	5,363,641
In more than one year but not more than two years	-	500,000	-	500,000
In more than two years but not more than five years	3,500,000	3,500,000	3,500,000	3,500,000
In more than five years	-	-	-	-
<b>Loan from JBS Farming</b>				
In more than one year but not more than two years	2,603,051	2,864,052	2,603,051	2,864,052
<b>Loan from subsidiary shareholder</b>				
In more than one year but not more than two years	150,000	150,000	-	-
<b>Other loans</b>				
In more than one year but not more than two years	530,377	-	530,377	-
<b>Total</b>	<b>6,796,028</b>	<b>13,189,283</b>	<b>6,633,428</b>	<b>12,227,693</b>

The company has the following bank loans:

- A revolving credit facility to draw down up to £4,000,000 which expires in November 2018. The interest rate is a variable rate of 1.75% per annum over LIBOR. The facility is secured by a fixed and floating charge over the assets of the company and certain subsidiary undertakings.

# Notes to the Financial Statements

For the period ended 31 October 2015

## 17. Deferred taxation

	<b>Group</b>		<b>Company</b>	
	<b>31 October 2015</b>	<b>3 May 2014</b>	<b>31 October 2015</b>	<b>3 May 2014</b>
	£	£	£	£
At beginning of period	(851)	62,786	-	(975)
Released during/(charge for) the period (P&L)	40,978	(63,637)	-	975
At end of period	<u>40,127</u>	<u>(851)</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>31 October 2015</b>	<b>3 May 2014</b>	<b>31 October 2015</b>	<b>3 May 2014</b>
	£	£	£	£
Accelerated capital allowances	(52,241)	84,729	-	-
Short term timing differences	92,368	(83,878)	-	-
	<u>40,127</u>	<u>851</u>	<u>-</u>	<u>-</u>

## 18. Share capital

	<b>31 October 2015</b>	<b>3 May 2014</b>
	£	£
<b>Allotted, called up and fully paid</b>		
300,000 Ordinary £1 shares shares of £1 each	300,000	300,000
2,000,000 Redeemable £1 preference shares shares of £1 each	2,000,000	2,000,000
	<u>2,300,000</u>	<u>2,300,000</u>

The preference shares attract a fixed cumulative dividend of 3.7% per annum and are redeemable at the discretion of the company.

# Notes to the Financial Statements

For the period ended 31 October 2015

## 19. Reserves

	Profit and loss account £
<b>Group</b>	
At 4 May 2014	18,053,920
Profit for the financial period	3,755,016
Dividends: Equity capital	(100,000)
	<hr/>
At 31 October 2015	21,708,936
	<hr/>

	Profit and loss account £
<b>Company</b>	
At 4 May 2014	11,096,744
Profit for the financial period	262,984
	<hr/>
At 31 October 2015	11,359,728
	<hr/>

## 20. Reconciliation of movement in shareholders' funds

	31 October 2015 £	3 May 2014 £
<b>Group</b>		
Opening shareholders' funds	20,353,920	18,539,143
Profit for the financial period	3,755,016	1,814,777
Dividends (Note 21)	(100,000)	-
	<hr/>	<hr/>
Closing shareholders' funds	24,008,936	20,353,920
	<hr/>	<hr/>

	31 October 2015 £	3 May 2014 £
<b>Company</b>		
Opening shareholders' funds	13,396,744	12,207,139
Profit for the financial period	262,984	1,189,605
	<hr/>	<hr/>
Closing shareholders' funds	13,659,728	13,396,744
	<hr/>	<hr/>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the period dealt with in the accounts of the company was £262,984 (2014 - £1,189,605).

# Notes to the Financial Statements

For the period ended 31 October 2015

## 21. Dividends

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Dividends paid by subsidiaries to minority interests	100,000	-

## 22. Minority interests

Equity	£
At 4 May 2014	983,718
Proportion of profit/(loss) after taxation for the period	920,027
Adjustment for changes in minority interests	13,623
At 31 October 2015	1,917,368

## 23. Net cash flow from operating activities

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Operating profit	7,057,074	3,222,545
Amortisation of intangible fixed assets	1,107	161,428
Depreciation of tangible fixed assets	4,322,275	2,606,331
Loss/(profit) on disposal of tangible fixed assets	175,492	(345,336)
Decrease/(increase) in stocks	420,777	(1,021,033)
Decrease/(increase) in debtors	8,422,989	(979,024)
(Decrease)/increase in creditors	(6,736,173)	1,881,296
Share of income from associates	(502,423)	-
Net cash inflow from operating activities	13,161,118	5,526,207

# Notes to the Financial Statements

For the period ended 31 October 2015

## 24. Analysis of cash flows for headings netted in cash flow statement

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	950,394	701,303
Interest paid	(1,355,251)	(775,625)
Hire purchase interest	(58,900)	(62,407)
Income from investments	-	(281,905)
Income from investments in related companies	557,893	-
Dividends paid to minority interests	-	161,428
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>	<b>94,136</b>	<b>(257,206)</b>
	<hr/>	<hr/>
	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(5,420,373)	(4,113,593)
Sale of tangible fixed assets	198,094	689,007
Purchase of share of minority interest	-	(161,428)
	<hr/>	<hr/>
<b>Net cash outflow from capital expenditure</b>	<b>(5,222,279)</b>	<b>(3,586,014)</b>
	<hr/>	<hr/>
	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
<b>Acquisitions and disposals</b>		
Purchase of fixed asset investments	-	(675,000)
Purchase of share in associates	(449,790)	-
Sale of share in associates	101,455	-
	<hr/>	<hr/>
<b>Net cash outflow from acquisitions and disposals</b>	<b>(348,335)</b>	<b>(675,000)</b>
	<hr/>	<hr/>



## Notes to the Financial Statements

For the period ended 31 October 2015

**24. Analysis of cash flows for headings netted in cash flow statement (continued)**

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
<b>Financing</b>		
Repayment of loans	(1,000,000)	(500,000)
Other new loans	269,376	-
Repayment of other loans	-	(1,186,038)
Repayment of finance leases	(263,885)	(794,137)
<b>Net cash outflow from financing</b>	<b>(994,509)</b>	<b>(2,480,175)</b>

**25. Analysis of changes in net debt**

	4 May 2014 £	Cash flow £	Other non-cash changes £	31 October 2015 £
Cash at bank and in hand	1,188,187	191,789	-	1,379,976
Bank overdraft	(5,675,231)	5,662,631	-	(12,600)
	<u>(4,487,044)</u>	<u>5,854,420</u>	<u>-</u>	<u>1,367,376</u>
<b>Debt:</b>				
Finance leases	(981,750)	263,885	-	(717,865)
Debts due within one year	(500,000)	730,624	(230,624)	-
Debts falling due after more than one year	(7,014,052)	-	230,624	(6,783,428)
<b>Net debt</b>	<b>(12,982,846)</b>	<b>6,848,929</b>	<b>-</b>	<b>(6,133,917)</b>

**26. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £192,864 (2014 - £198,041). Contributions totalling £nil (2014 - £nil) were payable to the fund at the balance sheet date.

# Notes to the Financial Statements

For the period ended 31 October 2015

## 27. Operating lease commitments

At 31 October 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	31 October 2015	3 May 2014	31 October 2015	3 May 2014
Group and company	£	£	£	£
Expiry date:				
Within 1 year	1,061,962	1,095,159	558,345	670,159

## 28. Related party transactions

The company has taken advantage of the exemption from reporting transactions with other group companies, conferred by Financial Reporting Standard No.8 on the grounds that it is a parent undertaking which publishes consolidated accounts. The related parties of the group during the period were:

Marblelane Limited and its subsidiaries - companies in which Mr J B Shropshire is a director.

JBS Farming - a farming partnership in which Mr J B Shropshire and J B Shropshire & Sons Limited are partners.

GSS Farming Limited - a company in which Mr J B Shropshire is a director.

A group headed by G's Group Holdings Limited - a company in which Mr J B Shropshire is a director.

G's Growers Limited - a company in which Mr J B Shropshire is a director.

The transactions during the period with these parties and the balances outstanding with these businesses are:

	78 weeks ended 31 October 2015 £	52 weeks ended 3 May 2014 £
Total sales	76,866,982	48,894,628
Total purchases	10,507,017	7,773,279
Balances included within debtors	6,794,191	6,700,121
Balances included within creditors	4,338,496	3,503,519

## 29. Controlling party

The immediate and ultimate controlling party is Mr J B Shropshire.

## 30. Principal subsidiaries and associates

### a. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Riverfen Farms Limited	England	100%	Farming
Cotswold Compost Limited	England	100%	Not trading
Cambs Farms Growers Limited	England	100%	Farming
Sandfields Farms Limited	England	80%	Farming

# Notes to the Financial Statements

For the period ended 31 October 2015

## 30. Principal subsidiaries and associates (continued)

### a. Principal subsidiaries (continued)

Company name	Country	Percentage Shareholding	Description
Buttercup Catering Limited	England	100%	Dormant
Fenlander Limited	England	100%	Farming
Chelbury Mushroom Farms Limited	England	97%	Farming
West Africa Farms Holdings Limited	England	80%	Holding company
West Africa Farms SARL	Senegal	80% (indirect)	Farming

### b. Principal associates

Company name	Country	Percentage Shareholding	Description
Fiddleford Holdings Limited	England	49%	Holding company
Fiddleford Mushrooms Limited	England	49% (indirect)	Farming
Littleport Mushroom Farms LLP	England	n/a	Farming