

REGISTERED NUMBER 03516726 (England and Wales)

J.B SHROPSHIRE & SONS LIMITED

**Annual Report and Consolidated Financial
Statements**

52 weeks ended 4 November 2017



J.B SHROPSHIRE & SONS LIMITED

REPORT AND FINANCIAL STATEMENTS 4 NOVEMBER 2017

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J.B SHROPSHIRE & SONS LIMITED

REPORT AND FINANCIAL STATEMENTS 4 NOVEMBER 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J B Shropshire
D Thompson

COMPANY SECRETARY

D Thompson

REGISTERED OFFICE

Hainey Farm
Barway Road
Ely
Cambridgeshire
CB7 5TZ

REGISTERED NUMBER

03516726 (England and Wales)

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
1 Station Square
Cambridge
CB1 2GA

BANKERS

The Royal Bank of Scotland
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

J.B SHROPSHIRE & SONS LIMITED

STRATEGIC REPORT

The directors present their strategic report for the 52 weeks ended 4 November 2017.

REVIEW OF BUSINESS

The reported results of the group are for 52 weeks, whilst the comparative period was for 53 weeks. The Directors are satisfied with the performance of the group and expect it to continue trading profitably in the future.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the period and the position at the period end.

The directors' review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

PRINCIPAL ACTIVITY AND PRINCIPAL RISKS AND UNCERTAINTIES

The principal activity of the group is farming.

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.

FUTURE DEVELOPMENTS

The directors anticipate no significant changes in the group's activities for the foreseeable future, other than as noted below.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover is a key measure of the group's performance. Turnover for the period was £71.7m (53 weeks ended 5 November 2016: £76.2m).

Overall profitability is a key indicator of the group's performance. The profit for the financial period was £2.4m (53 weeks ended 5 November 2016: £6.6m). Included within this profit is non-recurring dividend income of £nil (53 weeks ended 5 November 2016: £4.5m).

Excluding the dividend received the profit for the financial period was £2.4m (53 weeks ended 5 November 2016: £2.1m).

Working capital management is seen as an important target for the business. At the period end, the net current asset level was £18.5m (5 November 2016: £14.8m).

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.

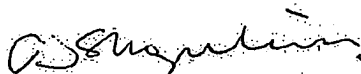
Energy consumption and pollution controls are key measures. The group is committed to the continuing improvement of energy efficiency and reducing any pollution risk.

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

POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, Chelbury Mushroom Farms Limited, a subsidiary, announced that the site would be closing.

J B Shropshire
Director



Date: 18 April 2018

J.B SHROPSHIRE & SONS LIMITED

DIRECTORS' REPORT

The directors present their report with the financial statements of the group for the 52 weeks ended 4 November 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 6 November 2016 to the date of this report.

J B Shropshire
D Thompson

DIVIDENDS

No interim dividends have been declared during the period or prior period. The directors do not recommend the payment of a final dividend (53 weeks ended 5 November 2016: £nil).

GOING CONCERN

As described in Note 1 to the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PRINCIPAL FINANCIAL RISKS AND UNCERTAINTIES

The group uses various financial instruments, these include cash, loans, overdrafts and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's ongoing operations and capital expenditure programme.

The main risks arising from the group and company's financial instruments are interest rate risk, liquidity risk, currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The use of financial derivatives is governed by the group's policies approved by the board of directors. The group does not use derivative financial instruments for speculative purposes.

Interest rate risk

The group's exposure to interest rate risk is limited to that associated with loans disclosed in note 17.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Currency risk

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

Credit risk

The group's financial assets are cash and trade debtors.

The principal credit risk lies with trade debtors. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

J.B SHROPSHIRE & SONS LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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), including FRS 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.

AUDITOR

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as that director is aware, there is no relevant audit information of which the company'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's auditor is aware of that information

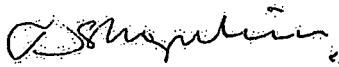
This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

J B Shropshire

Director



Date: 18 April 2018

Hainey Farm
Barway Road
Ely
Cambridgeshire
CB7 5TZ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J.B SHROPSHIRE & SONS LIMITED

Report on the audit of the financial statements

Opinion

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 4 November 2017 and of the group's profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of J.B Shropshire & Sons Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Cash Flow Statement; and
- the Related Notes 1 to 29.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 group's or the parent 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF J.B SHROPSHIRE & SONS LIMITED (continued)

Other information

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

Responsibilities of directors

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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
J.B SHROPSHIRE & SONS LIMITED (continued)**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

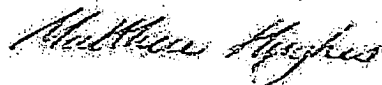
In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

24 April 2018

J.B SHROPSHIRE & SONS LIMITED

CONSOLIDATED INCOME STATEMENT

52 weeks ended 4 November 2017

	Note	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 * £
TURNOVER	3	71,739,037	76,166,872
Cost of sales		(66,610,703)	(69,634,379)
GROSS PROFIT		5,128,334	6,532,493
Administrative expenses		(4,590,200)	(5,562,085)
Other operating income		2,484,613	1,874,879
OPERATING PROFIT	4	3,022,747	2,845,287
(Loss) profit from interests in associated undertakings		(241,243)	504,559
Dividends received			4,500,000
Interest receivable and similar income		1,073,102	1,149,882
Interest payable and similar charges	7	(1,041,437)	(697,093)
PROFIT BEFORE TAXATION		2,813,169	8,302,635
Tax on profit	8	(373,550)	(1,732,804)
PROFIT FOR THE FINANCIAL PERIOD		2,439,619	6,569,831
PROFIT FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:			
Non-controlling interest		622,545	319,040
Equity shareholders of the company		1,817,074	6,250,791
		2,439,619	6,569,831

All amounts relate to continuing operations.

The notes on pages 13 to 34 form part of these financial statements.

*The 2016 revenue, cost of sales, administrative expenses, other operating income, interest receivable and interest payable have been restated in 2017. Details of the restatement are described in note 29.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

52 weeks ended 4 November 2017

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Profit for the financial period	2,439,619	6,569,831
Exchange differences on translation of foreign operations	145,818	(885,100)
Total comprehensive income	2,585,437	5,684,731
Total comprehensive income for the period attributable to:		
Equity shareholders of the company	1,933,728	5,616,697
Non-controlling interest	651,709	68,034
	2,585,437	5,684,731

J.B SHROPSHIRE & SONS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

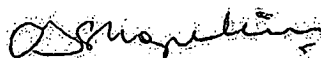
4 November 2017

	Note	4 November 2017 £	5 November 2016 £
FIXED ASSETS			
Intangible assets	9	28,356	13,964
Tangible assets	10	24,096,257	21,156,116
Investments	11	2,657,522	2,782,520
Investments in associates	11	3,580,545	4,281,789
		<u>30,362,680</u>	<u>28,234,389</u>
CURRENT ASSETS			
Stocks	12	2,184,899	5,232,406
Biological assets	13	1,619,599	1,400,470
Debtors: amounts falling due after more than one year	14	7,491,278	7,410,914
Debtors: amounts falling due within one year	14	15,211,953	16,609,591
Cash at bank		6,113,452	3,689,732
		<u>32,621,181</u>	<u>34,343,113</u>
CREDITORS:			
Amounts falling due within one year	15	(14,078,595)	(19,565,517)
NET CURRENT ASSETS		<u>18,542,586</u>	<u>14,777,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,905,266</u>	<u>43,011,985</u>
CREDITORS:			
Amounts falling due after more than one year	16	(14,033,703)	(10,614,800)
PROVISIONS FOR LIABILITIES	17	<u>(928,941)</u>	<u>(815,000)</u>
NET ASSETS		<u>33,942,622</u>	<u>31,582,185</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,300,000	2,300,000
Retained earnings	20	28,916,209	27,295,931
SHAREHOLDERS' FUNDS		<u>31,216,209</u>	<u>29,595,931</u>
NON-CONTROLLING INTEREST		<u>2,726,413</u>	<u>1,986,254</u>
TOTAL CAPITAL EMPLOYED		<u>33,942,622</u>	<u>31,582,185</u>

The financial statements of J.B Shropshire & Sons Limited, registered number 03516726, were approved and authorised for issue by the board and were signed on 18 April 2018 its behalf by:

J.B Shropshire

Director



Date: 18 April 2018

J.B SHROPSHIRE & SONS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

4 November 2017

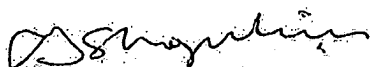
	Note	4 November 2017 £	5 November 2016 £
FIXED ASSETS			
Intangible assets	9	7,186	13,964
Tangible assets	10	2,436,867	2,529,358
Investments	11	8,315,443	9,305,439
		<u>10,759,496</u>	<u>11,848,761</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	14	17,297,361	13,118,643
Debtors: amounts falling due within one year	14	7,396,604	11,031,760
Cash at bank		3,561,152	2,252,714
		<u>28,255,117</u>	<u>26,403,117</u>
CREDITORS:			
Amounts falling due within one year	15	(4,369,540)	(8,859,823)
NET CURRENT ASSETS		<u>23,885,577</u>	<u>17,543,294</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>34,645,073</u>	<u>29,392,055</u>
CREDITORS:			
Amounts falling due after more than one year	16	(13,864,060)	(10,378,404)
PROVISIONS FOR LIABILITIES	17	(790,561)	(615,000)
NET ASSETS		<u>19,990,452</u>	<u>18,398,651</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,300,000	2,300,000
Retained earnings	20	17,690,452	16,098,651
SHAREHOLDERS' FUNDS		<u>19,990,452</u>	<u>18,398,651</u>

The profit for the period dealt with in the financial statements of the company was £1,591,801 (53 weeks ended 5 November 2016: £4,738,923). Included within this profit is non-recurring dividend income of £nil (53 weeks ended 5 November 2016: £4,500,000).

The financial statements of J.B Shropshire & Sons Limited, registered number 03516726, were approved and authorised for issue by the board and were signed on its behalf on 18 April 2018 2018.

J B Shropshire

Director



J B SHROPSHIRE & SONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

52 weeks ended 4 November 2017

	Equity attributable to equity shareholders of the company			Non-controlling interest	Total
	Called up share capital £	Retained earnings £	Total £	£	£
Balance at 1 November 2015	2,300,000	21,708,936	24,008,936	2,088,518	26,097,454
Profit for the financial period	-	6,250,791	6,250,791	319,040	6,569,831
Exchange differences on translation of foreign operations	-	(634,094)	(634,094)	(251,006)	(885,100)
Total comprehensive income	-	5,616,697	5,616,697	68,034	5,684,731
Dividends (note 22)	-	-	-	(100,000)	(100,000)
Transfer on acquisition of shares	-	(316,929)	(316,929)	216,929	(100,000)
Transfer to non-controlling interest	-	287,227	287,227	(287,227)	-
Balance at 5 November 2016	2,300,000	27,295,931	29,595,931	1,986,254	31,582,185
Profit for the financial period	-	1,817,074	1,817,074	622,545	2,439,619
Exchange differences on translation of foreign operations	-	116,654	116,654	29,164	145,818
Total comprehensive income	-	1,933,728	1,933,728	651,709	2,585,437
Dividends (note 22)	-	-	-	(100,000)	(100,000)
Transfer on acquisition of shares	-	(313,450)	(313,450)	188,450	(125,000)
Balance at 4 November 2017	2,300,000	28,916,209	31,216,209	2,726,413	33,942,622

COMPANY STATEMENT OF CHANGES IN EQUITY

As at 4 November 2017

	Called up share capital £	Retained earnings £	Total £
Balance at 1 November 2015	2,300,000	11,359,728	13,659,728
Profit for the financial period	-	4,738,923	4,738,923
Balance at 5 November 2016	2,300,000	16,098,651	18,398,651
Profit for the financial period	-	1,591,801	1,591,801
Balance at 4 November 2017	2,300,000	17,690,452	19,990,452

J B SHROPSHIRE & SONS LIMITED

CONSOLIDATED CASH FLOW STATEMENT **52 weeks ended 4 November 2017**

	Note	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Net cash flows from operating activities	23	<u>4,529,748</u>	<u>(2,973,922)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,819,677)	(5,560,060)
Sale of tangible fixed assets		584,215	2,213,010
Purchase of additional share in group companies		(125,000)	(112,500)
Income from investments		-	504,558
Interest received		1,089,447	804,642
Dividends received		-	4,500,000
Purchase of intangible assets		(24,900)	-
Net cash flows from investing activities		<u>(5,295,915)</u>	<u>2,349,650</u>
Cash flows from financing activities			
Repayments of borrowings		(293,620)	(5,351,325)
New loans raised		3,819,112	9,093,036
Repayment of finance leases		(277,610)	(130,576)
Dividends paid		(100,000)	(100,000)
Net cash flows from financing activities		<u>3,147,882</u>	<u>3,511,135</u>
Increase in cash and cash equivalents		<u>2,381,715</u>	<u>2,886,863</u>
Cash and cash equivalents at the beginning of the period		<u>3,674,328</u>	<u>1,367,376</u>
Effect of foreign exchange rate changes		<u>44,340</u>	<u>(579,911)</u>
Cash and cash equivalents at the end of the period		<u><u>6,100,383</u></u>	<u><u>3,674,328</u></u>
Reconciliation to cash at bank			
Cash at bank		6,113,452	3,689,732
Overdraft		(13,069)	(15,404)
Cash and cash equivalents		<u><u>6,100,383</u></u>	<u><u>3,674,328</u></u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of the financial statements. After making enquiries, and considering the matters that are described in this Annual Report, the directors have concluded that they have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future.

As part of their going concern assessment, the directors have reviewed trading and cash flow forecasts which take into consideration the uncertainties in the operating environment such as seasonal fluctuations and weather risks. On the basis of this assessment, the directors have concluded that the company is a going concern.

J.B Shropshire & Sons Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements have been prepared in accordance with The Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions, financial instruments and remuneration of key management personnel.

The functional currency of J.B. Shropshire & Sons Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which it operates.

The following principal accounting policies have all been applied consistently throughout the current and prior period.

Basis of consolidation

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

Turnover

Turnover represents amounts derived from the provision of goods and services, arising in the United Kingdom, which fall within the group's ordinary activities after deduction of value added tax. The turnover shown in the Income Statement represents total sales made during the period, to retail, wholesale, processing and other customers. The turnover and profits are entirely attributable to the group's main activity of farming.

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 income statement over its estimated economic life.

Amortisation is provided on single payment scheme (SPS) entitlements over the life of the scheme.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

1. ACCOUNTING POLICIES (continued)

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	Buildings 10-20 years straight line on cost
Leasehold property improvements	10-25 years straight line on cost
Plant and machinery	25% reducing balance and 3-10 years straight line on cost

Assets under the course of construction are not depreciated.

Investments

- (i) Investments in subsidiaries are valued at cost less provision for impairment
- (ii) Investments in associates are stated at the amount of the company's share of net assets. The Income Statement includes the company's share of the associated companies' profits after taxation using the equity accounting basis.
- (iii) Other investments held as fixed assets are shown at cost less provision for impairment.

Biological assets

Biological assets are stated at the lower of cost and net realisable value. Cost is calculated as the total inputs into the crop in the year, less the cost of harvested produce and amounts released to the income statement.

Biological assets can be categorised as short or long term depending on the product lifecycle of the asset concerned and its output in the form of harvested crops for sale.

Those biological assets which will produce more than one crop over a number of years are classified as long term biological assets whilst those which will produce a single crop with the asset either being wasted or sold as part of the product offering are classified as short term. Biological assets classified as long term are expensed over the expected useful life.

Short term biological assets are those crops which are planted, grown and harvested in less than 12 months, leaving no residual asset that can generate future revenue.

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.

Operating leases

Rentals under operating leases are charged to the Income Statement on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production, and are recognised on a first-in-first-out basis. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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 is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. The deferred tax has not been discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the statement of financial position 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 Income Statement.

Government grants

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

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.

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.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

I. ACCOUNTING POLICIES (continued)

Financial instruments

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

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 Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

1. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the opinion of the directors, there are no critical accounting judgements. The key source of estimation uncertainty is over stock valuation. Stocks are assessed for impairment at each reporting date based on the Directors' best estimate of net realisable values with reference to quoted market or contract prices.

3. TURNOVER

The whole of the turnover is attributable to farming and arose within the United Kingdom.

4. OPERATING PROFIT

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

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Amortisation of intangible fixed assets	5,526	1,661
Depreciation of tangible fixed assets:		
- owned by the group	2,937,977	2,632,649
- held under finance leases	196,600	460,656
Loss/ (profit) on disposal of fixed assets	160,744	(1,403,830)
Fees payable to the Group's auditor and its associates for the audit of the statutory accounts	78,750	61,750
Fees payable to the Group's auditor and its associates for other services to the Group	24,900	27,600
Operating lease rentals:		
- plant and machinery	2,002,214	2,506,203
Foreign exchange differences	(101,478)	224,373
Cost of stock recognised in the income statement	67,003,522	65,183,373
Impairment of investments	652,123	200,000

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **52 weeks ended 4 November 2017**

5. STAFF COSTS

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

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Wages and salaries	14,608,704	14,332,258
Social security costs	1,155,245	890,537
Other pension costs	287,626	249,509
	<u>16,051,575</u>	<u>15,472,304</u>

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

	No	No
Directors	2	2
Other	1,284	1,489
	<u>1,286</u>	<u>1,491</u>

6. DIRECTORS' REMUNERATION

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Remuneration	<u>228,872</u>	<u>247,387</u>
Company pension contributions to defined contribution pension schemes	<u>16,065</u>	<u>35,005</u>

The directors J.B. Shropshire and D. Thompson are also directors of the subsidiary companies, Riverfen Farms Ltd, Cotswold Compost Ltd, Cambs Farms Growers Limited, Highfield Barn Limited, Fenlander Ltd and Sandfields 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.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **52 weeks ended 4 November 2017**

7. INTEREST PAYABLE

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 (restated - note 29) £
On bank loans and overdrafts	313,627	113,820
On other loans	723,914	565,499
On finance leases and hire purchase contracts	3,896	17,774
	<u>1,041,437</u>	<u>697,093</u>

8. TAXATION

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Analysis of tax charge in the period		
Current tax (see note below)		
UK Corporation tax charge on profit for the period	878,823	1,564,863
Foreign tax for current period	-	6,000
Adjustments in respect of prior period	(674,177)	176,777
Total current tax	<u>204,646</u>	<u>1,747,640</u>
Deferred tax		
Origination and reversal of timing differences	(59,541)	(47,454)
Short term timing differences	7,403	17,597
Adjustment in respect of prior periods	221,042	15,021
Total deferred tax (see note 19)	<u>168,904</u>	<u>(14,836)</u>
Tax on profit	<u>373,550</u>	<u>1,732,804</u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

8. TAXATION (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (53 weeks ended 5 November 2016: higher than) the standard rate of corporation tax in the UK of 19.41% (53 weeks ended 5 November 2016: 20%). The differences are explained below:

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Profit before tax	<u>2,813,169</u>	<u>8,302,635</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.41% (53 weeks ended 5 November 2016 - 20%)	546,141	1,660,527
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	773,477	308,522
Capital allowances in excess of depreciation	27,603	-
Adjustments to tax charge in respect of prior periods	(453,135)	191,798
Income not taxable	(491,409)	(976,448)
Capital gains	-	320,486
Change in unrecognised deferred tax assets	(146,190)	170,322
Impairment of investments	102,334	40,000
Effects of change in tax rates	7,406	17,597
Other timing differences leading to an increase in taxation	7,323	-
Current tax charge for the period	<u>373,550</u>	<u>1,732,804</u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

9. INTANGIBLE FIXED ASSETS

Group	Tenancy £	SPS entitlement £	Goodwill £	Negative goodwill £	Total £
Cost					
At 6 November 2016	1,250,000	135,535	1,278,007	(72,220)	2,591,322
Additions	-	24,900	-	-	24,900
Disposal	-	(126,553)	-	-	(126,553)
At 4 November 2017	1,250,000	33,882	1,278,007	(72,220)	2,489,669
Amortisation					
At 6 November 2016	1,250,000	121,571	1,278,007	(72,220)	2,577,358
Charge for the period	-	5,526	-	-	5,526
Disposal	-	(121,571)	-	-	(121,571)
At 4 November 2017	1,250,000	5,526	1,278,007	(72,220)	2,461,313
Net book value					
At 4 November 2017	-	28,356	-	-	28,356
At 5 November 2016	-	13,964	-	-	13,964

Company	Tenancy £	SPS Entitlement £	Total £
Cost			
At 6 November 2016	1,250,000	135,535	1,385,535
Disposal	-	(126,553)	(126,553)
At 4 November 2017	1,250,000	8,982	1,258,982
Amortisation			
At 6 November 2016	1,250,000	121,571	1,371,571
Charge for the period	-	1,796	1,796
Disposal	-	(121,571)	(121,571)
At 4 November 2017	1,250,000	1,796	1,251,796
Net book value			
At 4 November 2017	-	7,186	7,186
At 5 November 2016	-	13,964	13,964

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 4 November 2017

10. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property improvements £	Plant and machinery £	Assets in the course of construction £	Total £
Group					
Cost					
At 6 November 2016	15,279,565	2,596,280	23,207,703	868,620	41,952,168
Additions	4,695,281	384,331	1,738,520	1,545	6,819,677
Disposals	(1,047,923)	(683,857)	(2,741,057)	-	(4,472,837)
Transfer in class	(214,485)	-	214,485	-	-
At 4 November 2017	18,712,438	2,296,754	22,419,651	870,165	44,299,008
Depreciation					
At 6 November 2016	3,491,066	1,205,992	16,098,994	-	20,796,052
Charge for the period	871,316	100,926	2,162,335	-	3,134,577
Disposals	100,362	(2,523)	(3,825,717)	-	(3,727,878)
Transfer in class	(107,082)	-	107,082	-	-
At 4 November 2017	4,355,662	1,304,395	14,542,694	-	20,202,751
Net book value					
At 4 November 2017	14,356,776	992,359	7,876,957	870,165	24,096,257
At 5 November 2016	11,788,499	1,390,288	7,108,709	868,620	21,156,116

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

	4 November 2017 £	5 November 2016 £
Group		
Plant and machinery	693,599	1,757,178

Included within freehold property is land at cost £6,941,643 (5 November 2016: £3,323,438), which is not depreciated.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

10. TANGIBLE FIXED ASSETS (continued)

Company	Freehold property £	Plant and machinery £	Total £
Cost			
At 6 November 2016 and 4 November 2017	3,625,431	45,245	3,670,676
Depreciation			
At 6 November 2016	1,096,270	45,048	1,141,318
Charge for the period	92,442	49	92,491
At 4 November 2017	1,188,712	45,097	1,233,809
Net book value			
At 4 November 2017	2,436,719	148	2,436,867
At 5 November 2016	2,529,161	197	2,529,358

Included within freehold property is land at cost £1,676,634 (5 November 2016: £1,676,634), which is not depreciated.

11. FIXED ASSET INVESTMENTS

Group	Investments in associates £	Other fixed asset investments £	Total £
Cost or valuation			
At 6 November 2016	4,281,789	2,782,520	7,064,309
Share of losses	(241,243)	-	(241,243)
Impairment	(527,123)	(125,000)	(652,123)
Adjustment to opening share of income	67,122	2	67,124
At 4 November 2017	3,580,545	2,657,522	6,238,067
Net book value			
At 4 November 2017	3,580,545	2,657,522	6,238,067
At 5 November 2016	4,281,789	2,782,520	7,064,309

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

11. FIXED ASSET INVESTMENTS (continued)

Company	Investments in subsidiary companies £	Investments in associates £	Other fixed asset investments £	Total £
Cost or valuation				
At 6 November 2016	9,296,107	5,554,095	2,982,500	17,832,702
Additions	3	-	-	3
Disposals	(199,999)	(16,800)	-	(216,799)
At 4 November 2017	9,096,111	5,537,295	2,982,500	17,615,906
Impairment				
At 6 November 2016	6,960,463	1,366,800	200,000	8,527,263
Impairment	65,000	600,000	125,000	790,000
Disposals	-	(16,800)	-	(16,800)
At 4 November 2017	7,025,463	1,950,000	325,000	9,300,463
Net book value				
At 4 November 2017	2,070,648	3,587,295	2,657,500	8,315,443
At 5 November 2016	2,335,644	4,187,295	2,782,500	9,305,439

Details of the principal subsidiaries and associates can be found under note 28.

12. STOCKS

Group	4 November 2017 £	5 November 2016 £
Raw materials	759,866	1,019,937
Finished goods	1,425,033	4,212,469
	<u>2,184,899</u>	<u>5,232,406</u>

The company had no stock at the year end (2016 - nil).

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

13. BIOLOGICAL ASSETS

Group

4
November
2017
£

COST

At 6 November 2016

1,400,470

Increases resulting from purchases

45,552,534

Decreases resulting from harvest

(45,270,243)

Released to profit and loss account

(63,162)

At 4 November 2017

1,619,599

Included in the above are asparagus crowns with a book value of £637,666 (5 November 2016 - £484,613) which are expected to have an average useful life of 8 years.

The company held no biological assets at the year end (2016 - nil).

14. DEBTORS

	Group		Company	
	4	5	4	5
	November	November	November	November
	2017	2016	2017	2016
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	9,806,083	5,707,729
Other debtors	7,491,278	7,410,914	7,491,278	7,410,914
	<u>7,491,278</u>	<u>7,410,914</u>	<u>17,297,361</u>	<u>13,118,643</u>
Due within one year				
Trade debtors	9,505,012	11,088,754	2,040,664	2,134,536
Amounts owed by group undertakings	-	-	2,250,435	4,738,080
Other debtors	3,375,607	4,270,981	819,634	2,490,951
Prepayments and accrued income	1,230,285	882,080	1,222,108	238,761
Tax recoverable	1,101,049	312,813	1,063,763	1,429,432
Deferred tax asset (see note 19)	-	54,963	-	-
	<u>15,211,953</u>	<u>16,609,591</u>	<u>7,396,604</u>	<u>11,031,760</u>

Included within other debtors due after more than one year are amounts loaned to related parties of £2,678,093 (5 November 2016 - £2,671,178) and £3,479,031 (5 November 2016 - £3,403,605). These loans incur interest at a rate of 5% per annum and 1.15% over LIBOR per annum respectively.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	4	5	4	5
	November	November	November	November
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	79,567	166,536	66,498	151,131
Net obligations under finance leases and hire purchase contracts	237,536	410,892	-	-
Trade creditors	5,901,933	9,726,411	1,897,991	4,486,469
Amounts owed to group undertakings	-	-	-	1,251,088
Other taxation and social security	622,216	772,238	20,800	33,118
Other creditors	2,864,963	2,771,708	522,373	914,174
Accruals and deferred income	4,372,380	5,717,732	1,861,878	2,023,843
	<u>14,078,595</u>	<u>19,565,517</u>	<u>4,369,540</u>	<u>8,859,823</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	4	5	4	5
	November	November	November	November
	2017	2016	2017	2016
	£	£	£	£
Bank loans	2,887,824	2,867,121	2,887,824	2,867,121
Other loans	11,036,236	7,571,282	10,976,236	7,511,283
Net obligations under finance leases and hire purchase contracts	72,143	176,397	-	-
Other creditors	37,500	-	-	-
	<u>14,033,703</u>	<u>10,614,800</u>	<u>13,864,060</u>	<u>10,378,404</u>

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

Group	4	5
	November	November
	2017	2016
	£	£
In less than one year	237,536	410,892
Between one and five years	<u>72,143</u>	<u>176,397</u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	4	5	4	5
	November	November	November	November
	2017	2016	2017	2016
	£	£	£	£
Deferred tax (note 19)	113,941	-	175,561	-
Dilapidations provision	815,000	815,000	615,000	615,000
	<u>928,941</u>	<u>815,000</u>	<u>790,561</u>	<u>615,000</u>

Amounts provided for in respect of property dilapidations will become payable when leases are terminated, none of which are expected to be in the next 12 months.

18. BORROWINGS

	Group		Company	
	4	5	4	5
	November	November	November	November
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	2,967,391	3,033,657	2,954,322	3,018,252
Loan from subsidiary shareholder	60,000	60,000	-	-
Other loans with related parties	10,976,236	7,511,282	10,976,236	7,511,283
Total	<u>14,003,627</u>	<u>10,604,939</u>	<u>13,930,558</u>	<u>10,529,535</u>

Analysis of loan repayments

Bank loans and overdrafts				
In one year or less or on demand	79,567	166,536	66,498	151,131
In more than one year but not more than two years	151,131	151,131	151,131	151,131
In more than two years but not more than five years	453,393	453,393	453,393	453,393
In more than five years	<u>2,283,300</u>	<u>2,262,597</u>	<u>2,283,300</u>	<u>2,262,597</u>
	2,967,391	3,033,657	2,954,322	3,018,252
Loan from subsidiary shareholder				
In more than one year but not more than two years	60,000	60,000	-	-
Other loans				
In more than one year but not more than two years	<u>10,976,236</u>	<u>7,511,282</u>	<u>10,976,236</u>	<u>7,511,283</u>
Total	<u>14,003,627</u>	<u>10,604,939</u>	<u>13,930,558</u>	<u>10,529,535</u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

18. BORROWINGS (continued)

The company has the following 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. At 4 November 2017 a balance of £nil (5 November 2016 - £nil) had been drawn down on this facility.

A loan has been drawn down of £2,954,322 (5 November 2016 - £3,018,252) which is repayable in instalments until 2046. Interest is charged at 2.91% per annum. The facility is secured by a fixed charge over certain property held in the group.

The company has unsecured loans with related parties of £10,976,236 (5 November 2016 - £7,511,283). These loans incur interest at a rate of between 0% and 5%.

19. DEFERRED TAXATION

Group

	4 November 2017 £	5 November 2016 £
Asset at beginning of period	54,963	40,127
Released during the period (P&L)	52,138	29,856
Adjustment in respect of prior periods	(221,042)	(15,020)
(Liability) asset at end of period	<u>(113,941)</u>	<u>54,963</u>

The deferred taxation balance is made up as follows:

	4 November 2017 £	5 November 2016 £
Accelerated capital allowances	(39,094)	(66,682)
Short term timing differences	(74,847)	121,645
	<u>(113,941)</u>	<u>54,963</u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **52 weeks ended 4 November 2017**

19. DEFERRED TAXATION (continued)

Company	£
Liability at beginning of period	-
Adjustment in respect of prior periods	(175,561)
Liability at end of period	(175,561)

The deferred taxation balance is made up as follows:

	4 November 2017 £	5 November 2016 £
Other timing difference	(175,561)	-

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

20. CALLED UP SHARE CAPITAL

	4 November 2017 £	5 November 2016 £
Allotted, called up and fully paid		
300,000 Ordinary shares of £1 each	300,000	300,000
2,000,000 Redeemable preference 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.

The groups' and company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

21. PROFIT ATTRIBUTABLE TO THE COMPANY

As permitted by section 408 of the Companies Act 2006, no separate income statement or statement of comprehensive income is presented in respect of the parent company. The profit attributable to the company is disclosed in the footnote to the company's statement of financial position.

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

22. DIVIDENDS

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Dividends paid by subsidiaries to minority interests	<u>100,000</u>	<u>100,000</u>

23. CASH FLOW STATEMENT

Reconciliation of operating profit to cash generated by operations:

	52 weeks ended 4 November 2017 £	53 weeks ended 5 November 2016 £
Operating profit	3,022,747	2,845,287
Adjustment for:		
Amortisation of intangible fixed assets	5,526	1,661
Depreciation of tangible fixed assets	3,134,577	3,093,305
(Profit)/loss on disposal of tangible fixed assets	160,744	(1,403,830)
Impairment of investments	652,123	200,000
Unrealised foreign exchange	(101,478)	(645,635)
Income from associates	-	(136,227)
Operating cash flows before movement in working capital	<u>6,874,239</u>	<u>3,954,561</u>
Decrease/(increase) in stocks and biological assets	2,828,378	(311,688)
Decrease/(increase) in debtors	2,050,547	(9,130,083)
(Decrease)/increase in creditors	<u>(5,189,097)</u>	<u>5,151,376</u>
Cash generated by operations	6,564,067	(335,834)
Taxation paid	(992,882)	(2,181,952)
Interest paid	<u>(1,041,437)</u>	<u>(456,136)</u>
Net cash flows from operating activities	<u>4,529,748</u>	<u>(2,973,922)</u>

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

24. 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 £252,167 (5 November 2016: £228,599). The contributions payable to the fund at the statement of financial position date were £291,533 (5 November 2016: £286,350).

25. OPERATING LEASE COMMITMENTS

	Group		Company	
	4 November 2017 £	5 November 2016 £	4 November 2017 £	5 November 2016 £
Expiry date				
Within one year	1,598,503	1,418,654	61,600	61,600
Between two and five years	2,028,674	2,053,274	-	61,600
Greater than five years	1,741,620	1,928,650	-	-
	<u>5,368,797</u>	<u>5,400,578</u>	<u>61,600</u>	<u>123,200</u>

26. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption afforded by FRS 102 Section 33 "Related Party Disclosures" when preparing its individual financial statements and has not disclosed certain transactions with its wholly-owned subsidiaries.

	52 weeks ended 4 November 2017			
	Sales £	Purchases £	Outstanding debtor £	Outstanding creditor £
Group				
Entities over which the group has significant influence	1,417,324	2,614,649	1,955,079	4,084,275
Key management personnel of the entity	1,685	-	133	60,000
Other related parties	51,221,800	8,615,521	11,868,453	9,469,144
Company				
Entities over which the company has control	168,647	156,643	5,676,988	129,000
Entities over which the company has significant influence	1,350,658	2,628,468	1,913,934	4,065,971
Other related parties	479,633	736,075	6,215,593	7,677,937

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 52 weeks ended 4 November 2017

26. RELATED PARTY TRANSACTIONS (continued)

	53 weeks ended 5 November 2016			
	Sales £	Purchases £	Outstanding debtor £	Outstanding creditor £
Group				
Entities over which the group has significant influence	4,772,753	6,731,240	2,967,763	1,732,269
Other related parties	45,066,128	4,816,899	16,021,681	11,982,882
Company				
Entities over which the company has control	179,086	-	2,504,723	-
Entities over which the company has significant influence	4,705,835	6,591,225	2,956,717	1,494,253
Other related parties	2,852,676	240,105	1,997,933	14,110,162

During the period, total remuneration to key management personnel of the group was £688,028 (53 weeks ended 5 November 2016 - £730,980).

The company received dividends during the period from other related parties of £nil (53 weeks ended 5 November 2016 - £4,500,000).

27. CONTROLLING PARTY

The immediate and ultimate controlling party is J B Shropshire.

28. PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Riverfen Farms Ltd	England	100%	Farming
Cotswold Compost Ltd	England	100%	Not trading
Cambs Farms Growers Limited	England	100%	Farming
Sandfields Farms Limited	England	80%	Farming
Fenlander Ltd	England	100%	Not trading
Chelbury Mushroom Farms Limited	England	97%	Farming
West Africa Farms Holdings Limited	England	80% (indirect)	Holding company
West Africa Farms SARL	Senegal	80% (indirect)	Farming
G W Prop Limited	England	100%	Farming
H J Prop Limited	England	100%	Not trading
C J Prop Limited	England	100%	Farming
Highfield Barn Limited	England	100%	Farming

J.B SHROPSHIRE & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 4 November 2017

28. PRINCIPAL SUBSIDIARIES AND ASSOCIATES (continued)

All subsidiary companies other than West Africa Farms SARL are registered at Hainey Farm, Barway Road, Ely, Cambridgeshire, CB7 5TZ.

West Africa Farms SARL is registered at Louga, Yamane Comuntute Rurale Nguithi.

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
Littleport Mushroom Farms (2011) Limited	England	n/a (indirect)	Farming

Fiddleford Holdings Limited and Fiddleford Mushrooms Limited are registered at Banbury Cross Farm, Angers Lane, Fiddleford, Sturminster Newton, DT10 2BY.

Littleport Mushroom Farms LLP and Littleport Mushroom Farms (2011) Limited are registered at Hainey Farm, Barway Road, Ely, Cambridgeshire, CB7 5TZ.

29. RESTATEMENT OF PRIOR YEAR AMOUNTS

The 2016 turnover, cost of sales, administrative expenses, operating income, interest receivable and interest payable balances have been restated to bring them in line with the current year classifications. In the opinion of the directors, this presentation more accurately presents the results of the group's principal activities. The reclassifications have no impact on profit before tax, net assets, retained earnings or tax for the period ended 5 November 2016.