

REGISTERED NUMBER: 05218735 (England and Wales)

**REPORT OF THE DIRECTOR AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019
FOR
P K PRODUCE LIMITED**

P K PRODUCE LIMITED (REGISTERED NUMBER: 05218735)

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FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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P K PRODUCE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DIRECTOR: P Kingsland

REGISTERED OFFICE: Wood House
58 North Street
Biddenden
Ashford
Kent
TN27 8AS

REGISTERED NUMBER: 05218735 (England and Wales)

ACCOUNTANTS: Crowe U.K. LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The director presents his report with the financial statements of the company for the year ended 30 September 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the distribution of fruit and vegetables.

GOING CONCERN

Accounting standards require the director to consider the appropriateness of the going concern basis when preparing the financial statements. The director confirms that he considers that the going concern basis remains appropriate. The director believes that the company has sufficient resources to continue in operational existence for the foreseeable future. The director believes this to be the case as the company has positive reserves, cash balances and no significant long term liabilities. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTOR

P Kingsland held office during the whole of the period from 1 October 2018 to the date of this report.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

P Kingsland - Director

17 January 2020

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR
ON THE UNAUDITED FINANCIAL STATEMENTS OF
P K PRODUCE LIMITED**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of P K Produce Limited for the year ended 30 September 2019 which comprise the profit and loss account, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/regulations.

This report is made solely to the director of P K Produce Limited in accordance with the terms of our engagement letter dated 27th October 2017. Our work has been undertaken solely to prepare for your approval the financial statements of P K Produce Limited and state those matters that we have agreed to state to the director of P K Produce Limited in this report in accordance with AAF 7/16 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than P K Produce Limited and its director for our work or for this report.

It is your duty to ensure that P K Produce Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and profit. You consider that P K Produce Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of P K Produce Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Crowe U.K. LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

23 January 2020

P K PRODUCE LIMITED (REGISTERED NUMBER: 05218735)

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

		2019		2018	
	Notes	£	£	£	£
TURNOVER			2,520,034		2,478,857
Cost of sales			<u>2,339,367</u>		<u>2,292,849</u>
GROSS PROFIT			180,667		186,008
Distribution costs		2,460		2,741	
Administrative expenses		<u>147,706</u>		<u>108,491</u>	
			150,166		111,232
OPERATING PROFIT	4		<u>30,501</u>		<u>74,776</u>
Interest receivable and similar income			<u>-</u>		<u>1</u>
			30,501		74,777
Interest payable and similar expenses			<u>5,818</u>		<u>5,468</u>
PROFIT BEFORE TAXATION			24,683		69,309
Tax on profit	5		<u>2,749</u>		<u>13,748</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>21,934</u></u>		<u><u>55,561</u></u>

The notes form part of these financial statements

P K PRODUCE LIMITED (REGISTERED NUMBER: 05218735)

**BALANCE SHEET
30 SEPTEMBER 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	7		168,027		142,395
CURRENT ASSETS					
Stocks		18,389		23,087	
Debtors	8	211,038		252,245	
Cash at bank and in hand		<u>22,944</u>		<u>26,783</u>	
		252,371		302,115	
CREDITORS					
Amounts falling due within one year	9	<u>218,992</u>		<u>293,763</u>	
NET CURRENT ASSETS			<u>33,379</u>		<u>8,352</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			201,406		150,747
CREDITORS					
Amounts falling due after more than one year	10		(97,598)		(31,621)
PROVISIONS FOR LIABILITIES	12		<u>(26,736)</u>		<u>(23,988)</u>
NET ASSETS			<u>77,072</u>		<u>95,138</u>
CAPITAL AND RESERVES					
Called up share capital	13		850		850
Capital redemption reserve	14		150		150
Retained earnings	14		<u>76,072</u>		<u>94,138</u>
SHAREHOLDERS' FUNDS			<u>77,072</u>		<u>95,138</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2019 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

P K PRODUCE LIMITED (REGISTERED NUMBER: 05218735)

BALANCE SHEET - continued
30 SEPTEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the director on 17 January 2020 and were signed by:

P Kingsland - Director

P K PRODUCE LIMITED (REGISTERED NUMBER: 05218735)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 October 2017	850	89,077	150	90,077
Changes in equity				
Dividends	-	(50,500)	-	(50,500)
Total comprehensive income	-	55,561	-	55,561
Balance at 30 September 2018	<u>850</u>	<u>94,138</u>	<u>150</u>	<u>95,138</u>
Changes in equity				
Dividends	-	(40,000)	-	(40,000)
Total comprehensive income	-	21,934	-	21,934
Balance at 30 September 2019	<u>850</u>	<u>76,072</u>	<u>150</u>	<u>77,072</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. STATUTORY INFORMATION

P K Produce Limited is a private company, limited by shares, registered in England and Wales.

The company's registered number and registered office address can be found on the Company Information page.

The principal activity of the company in the year under review was that of the distribution of fruit and vegetables.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

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

Revenue is recognised when goods are delivered to customers.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold land & buildings	- 5% on cost
Plant and machinery	- 20% on cost and 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

Accounting standards require the director to consider the appropriateness of the going concern basis when preparing the financial statements. The director confirms that he considers that the going concern basis remains appropriate. The director believes that the company has sufficient resources to continue in operational existence for the foreseeable future. The director believes this to be the case as the company has positive reserves, cash balances and no significant long term liabilities. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. ACCOUNTING POLICIES - continued

Debtors

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

Creditors

Short term creditors are measured at the transaction price.

Cash and Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known accounts of cash with significant risk of change in value.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Operating lease commitments

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

FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 22 (2018 - 22) .

4. OPERATING PROFIT

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

	2019	2018
	£	£
Depreciation - owned assets	38,618	28,797
Depreciation - assets on hire purchase contracts	19,709	38,152
Profit on disposal of fixed assets	<u>(10,375)</u>	<u>(8,585)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	-	16,284
Deferred tax	2,749	(2,536)
Tax on profit	<u>2,749</u>	<u>13,748</u>

6. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Final	<u>40,000</u>	<u>50,500</u>

7. TANGIBLE FIXED ASSETS

	Leasehold land & buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 October 2018	22,994	46,518	42,003	320,123	431,638
Additions	1,417	-	8,028	99,642	109,087
Disposals	-	-	-	(95,846)	(95,846)
At 30 September 2019	<u>24,411</u>	<u>46,518</u>	<u>50,031</u>	<u>323,919</u>	<u>444,879</u>
DEPRECIATION					
At 1 October 2018	13,810	38,573	35,817	201,043	289,243
Charge for year	1,199	1,807	2,417	52,904	58,327
Eliminated on disposal	-	-	-	(70,718)	(70,718)
At 30 September 2019	<u>15,009</u>	<u>40,380</u>	<u>38,234</u>	<u>183,229</u>	<u>276,852</u>
NET BOOK VALUE					
At 30 September 2019	<u>9,402</u>	<u>6,138</u>	<u>11,797</u>	<u>140,690</u>	<u>168,027</u>
At 30 September 2018	<u>9,184</u>	<u>7,945</u>	<u>6,186</u>	<u>119,080</u>	<u>142,395</u>

NBV of fixed assets, included in the above, which are held under hire purchase contracts are £101,984 (2018 - £112,338).

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	195,894	233,906
Other debtors	15,144	18,339
	<u>211,038</u>	<u>252,245</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts	15,204	-
Hire purchase contracts (see note 11)	33,361	46,625
Trade creditors	157,640	209,408
Taxation and social security	6,928	22,647
Other creditors	5,859	15,083
	<u>218,992</u>	<u>293,763</u>

Liabilities for hire purchase contracts are secured upon the assets to which they relate.

Included within bank loans and overdrafts is a loan of £50,000, which is secured via a personal guarantee of the director.

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

	2019	2018
	£	£
Bank loans	40,000	-
Hire purchase contracts (see note 11)	57,598	31,621
	<u>97,598</u>	<u>31,621</u>

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	33,361	46,625
Between one and five years	57,598	31,621
	<u>90,959</u>	<u>78,246</u>

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	-	25,077
Between one and five years	20,000	53,087
	<u>20,000</u>	<u>78,164</u>

12. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	26,736	-
Deferred tax	-	23,988
	<u>26,736</u>	<u>23,988</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 October 2018	23,988
Fixed asset timing differences	2,814
Other timing differences	(66)
Balance at 30 September 2019	<u>26,736</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
800	Ordinary A	£1	800	800
50	Ordinary B	£1	<u>50</u>	<u>50</u>
			<u>850</u>	<u>850</u>

14. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 October 2018	94,138	150	94,288
Profit for the year	21,934		21,934
Dividends	<u>(40,000)</u>		<u>(40,000)</u>
At 30 September 2019	<u>76,072</u>	<u>150</u>	<u>76,222</u>

15. RELATED PARTY DISCLOSURES

During the year, £40,000 of dividends (2018 - £50,500) were paid to P Kingsland, a director, and his family.

Included within other creditors is £784 owing to P Kingsland (2018 - £10,000 in other debtors).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.