

Registered number: 06375826

A&A UK Investments Limited

Directors' report and financial statements

For the year ended 31 December 2015

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A&A UK Investments Limited

Company Information

Directors

A J Breugem
A J De Gier

Company secretary

A J Breugem

Registered number

06375826

Registered office

5 Barrow Man Road
Birchington
Kent
England
CT7 0AX

Independent auditor

Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Lloyds Bank plc
3 Sidney Street
Cambridge
Cambridgeshire
CB2 3HQ

Coöperatieve Rabobank Westland UA
Postbus 9
2670 AA
Naaldwijk
The Netherlands

A&A UK Investments Limited

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A&A UK Investments Limited

Directors' report For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The company's principal activity for the year under review is that of leasing a greenhouse built on a plot of land in Birchington, Kent, to its fellow subsidiary for use in the group's trade.

Results and dividends

The profit for the year, after taxation, amounted to £946,393 (2014 - £802,694).

The directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

A J Breugem
A J De Gier

Financial instruments

The company has exposure to two main areas of risk – foreign exchange exposure and liquidity risk. The company has established a risk and financial management framework whose primary objective is to mitigate the company's exposure to risk in order to protect the company from events that may hinder its performance.

Foreign exchange exposure

The company is exposed to currency exchange rate risk due to a significant proportion of its creditors being denominated in non-sterling currencies, principally the euro. The net exposure is monitored and managed by the use of currency loans, swaps and overdrafts.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's objective in managing liquidity risk is to ensure that this does not arise. Having assessed future cash flow requirements the company expects to be able to meet its financial obligations through the cash flows that are generated from its operating activities. In the event that these cash flows would not be sufficient to enable the company to meet all of its obligations the company has available credit facilities provided by its bankers, as disclosed in note 12. Where the interest rate risk arising from these facilities is considered by the directors to be significant the company uses interest rate swaps in order to guarantee fixed interest payments where payments are variable and hence would expose the company to fluctuations in interest rates. With these facilities in place the company is in a position to meet its commitments and obligations as they fall due.

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'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.

A&A UK Investments Limited

**Directors' report
For the Year Ended 31 December 2015**

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'A J Breugem', with a long horizontal stroke extending to the right.

A J Breugem
Director

Date: 27 June 2016

**Directors' responsibilities statement
For the Year Ended 31 December 2015**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

A&A UK Investments Limited

Independent auditor's report to the shareholders of A&A UK Investments Limited

We have audited the financial statements of A&A UK Investments Limited for the year ended 31 December 2015, set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

In light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

A&A UK Investments Limited

Independent auditor's report to the shareholders of A&A UK Investments 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

28 June 2016

A&A UK Investments Limited

Statement of comprehensive income For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover		1,450,000	1,450,000
Gross profit		1,450,000	1,450,000
Administrative expenses		(35,360)	(21,983)
Other operating income	5	15,000	-
Fair value movements on investment property		(160,000)	(160,000)
Operating profit	6	1,269,640	1,268,017
Loss on financial liabilities at fair value through profit and loss account		(52,802)	(261,240)
Interest receivable and similar income	7	178	-
Interest payable and expenses		(154,459)	(192,440)
Profit before tax		1,062,557	814,337
Tax on profit	8	(116,164)	(11,643)
Profit for the year		946,393	802,694

There was no other comprehensive income for 2015 (2014:£NIL).

The notes on pages 9 to 20 form part of these financial statements.

A&A UK Investments Limited
Registered number: 06375826

Balance sheet
As at 31 December 2015

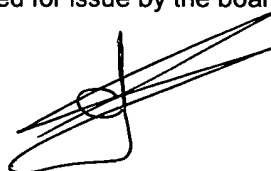
	Note	2015 £	2014 £
Fixed assets			
Investment property	9	<u>6,375,000</u>	<u>6,535,000</u>
		6,375,000	6,535,000
Current assets			
Debtors: amounts falling due after more than one year	10	61,682	1,009,933
Debtors: amounts falling due within one year	10	1,588,034	362,500
Cash at bank and in hand	11	<u>270,263</u>	<u>261,489</u>
		1,919,979	1,633,922
Creditors: amounts falling due within one year	12	<u>(3,315,969)</u>	<u>(1,257,009)</u>
Net current (liabilities)/assets		(1,395,990)	376,913
Total assets less current liabilities		4,979,010	6,911,913
Creditors: amounts falling due after more than one year	13	<u>(2,403,017)</u>	<u>(5,282,313)</u>
Net assets		<u>2,575,993</u>	<u>1,629,600</u>
Capital and reserves			
Called up share capital	16	873,338	873,338
Share premium account	17	46,738	46,738
Profit and loss account	17	<u>1,655,917</u>	<u>709,524</u>
		<u>2,575,993</u>	<u>1,629,600</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A – Small entities.

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



A J Breugem
Director



A J De Gier
Director

Date: 27 June 2016

The notes on pages 9 to 20 form part of these financial statements.

A&A UK Investments Limited

**Statement of changes in equity
For the Year Ended 31 December 2015**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2015	873,338	46,738	709,524	1,629,600
Profit for the year	-	-	946,393	946,393
Total comprehensive income for the year	-	-	946,393	946,393
At 31 December 2015	873,338	46,738	1,655,917	2,575,993

**Statement of changes in equity
For the Year Ended 31 December 2014**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2014	873,338	46,738	(93,170)	826,906
Profit for the year	-	-	802,694	802,694
Total comprehensive income for the year	-	-	802,694	802,694
At 31 December 2014	873,338	46,738	709,524	1,629,600

The notes on pages 9 to 20 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. General information

A&A UK Investments Limited is a limited liability company incorporated in England.

The address of the registered office is 5 Barrow Man Road, Birchington, Kent, England, CT7 0AX.

Details of the principal activity of the company are included in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments and investment property in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. Certain disclosure exemptions have been applied in accordance with the provisions of FRS102 Section 1A – Small entities.

Information on the impact first-time adoption of FRS 102 is given in note 20.

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

The following principal accounting policies, as set out in notes 2.2 to 2.12 have been applied.

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rental income from property leased under an operating lease is recognised in the profit and loss account on a straight-line basis over the term of the lease.

2.3 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

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

**Notes to the financial statements
For the Year Ended 31 December 2015**

2. Accounting policies (continued)

2.6 Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.7 Creditors

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

**Notes to the financial statements
For the Year Ended 31 December 2015**

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.9 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest 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.

2.10 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.11 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

**Notes to the financial statements
For the Year Ended 31 December 2015**

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following are the company's key sources of estimation uncertainty:

Investment properties

The company holds investment property with fair value of £6,375,000 (2014 - £6,535,000) at the year end (see note 9). In order to determine the fair value of investment property the company has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. See note 14 for further details. The fair value of financial instruments has been obtained from the company's bankers.

Taxation

Provision has been made in the financial statements for a deferred tax asset amounting to £61,682 (2014 - £76,151) at the reporting date (see note 15). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

4. Analysis of turnover

Turnover recognised in the statements of comprehensive income is analysed as follows:

	2015 £	2014 £
Rent receivable	1,450,000	1,450,000
	<u>1,450,000</u>	<u>1,450,000</u>

The whole of the turnover is attributable to rental income receivable on the lease of the company's investment property.

All turnover arose within the United Kingdom.

5. Other operating income

	2015 £	2014 £
Design service charge	15,000	-
	<u>15,000</u>	<u>-</u>

A&A UK Investments Limited

Notes to the financial statements For the Year Ended 31 December 2015

6. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual financial statements	3,000	3,000
Exchange differences	26,331	417
	<u>29,331</u>	<u>3,417</u>

During the year, no director received any emoluments (2014 - £NIL).

7. Interest receivable

	2015 £	2014 £
Other interest receivable	178	-
	<u>178</u>	<u>-</u>

Notes to the financial statements
For the Year Ended 31 December 2015

8. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	101,695	83,099
Adjustments in respect of previous periods	-	4,695
Total current tax	<u>101,695</u>	<u>87,794</u>
Deferred tax		
Origination and reversal of timing differences	6,854	(76,151)
Changes to tax rates	7,615	-
Total deferred tax	<u>14,469</u>	<u>(76,151)</u>
Taxation on profit on ordinary activities	<u>116,164</u>	<u>11,643</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,062,557</u>	<u>814,337</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	215,168	175,001
Effects of:		
Capital allowances	(91,529)	(118,455)
Adjustments to tax charge in respect of prior periods	-	4,695
Other timing differences leading to an increase in taxation	39,141	13,991
Group relief	(46,616)	(63,589)
Total tax charge for the year	<u>116,164</u>	<u>11,643</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

**Notes to the financial statements
For the Year Ended 31 December 2015**

9. Investment property

	Freehold investment property £
Valuation	
At 1 January 2015	6,535,000
Deficit on revaluation	(160,000)
At 31 December 2015	<u>6,375,000</u>

On 31 October 2015 the company's freehold investment property was independently valued by Michael Bax FRICS FAAV, who specialises in the valuation of agricultural and rural properties in South East England. This valuation was made on a fair value basis.

It is the opinion of the directors that there has been no material movement in this valuation at the balance sheet date.

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

	2015 £	2014 £
Historic cost	13,661,974	13,661,974
Accumulated depreciation and impairments	(9,016,211)	(7,659,138)
	<u>4,645,763</u>	<u>6,002,836</u>

A&A UK Investments Limited

Notes to the financial statements For the Year Ended 31 December 2015

10. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	-	933,782
Deferred tax asset	61,682	76,151
	<u>61,682</u>	<u>1,009,933</u>
	2015 £	2014 £
Due within one year		
Amounts owed by group undertakings	1,588,034	362,500
	<u>1,588,034</u>	<u>362,500</u>

11. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	270,263	261,489
Less: bank overdrafts	(195,319)	(207,177)
	<u>74,944</u>	<u>54,312</u>

12. Creditors: Amounts falling due within one year

	2015 £	2014 £
Bank overdrafts	195,319	207,177
Bank loans	846,264	846,264
Trade creditors	2,282	2,306
Amounts owed to group undertakings	2,044,093	-
Corporation tax	101,695	83,099
Taxation and social security	72,162	72,242
Accruals and deferred income	54,154	45,921
	<u>3,315,969</u>	<u>1,257,009</u>

Secured loans

The bank loans and overdraft are secured by way of a debenture over all assets of the company.

Notes to the financial statements
For the Year Ended 31 December 2015

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

	2015 £	2014 £
Bank loans	1,969,459	2,815,723
Amounts owed to group undertakings	-	2,085,835
Derivative financial instruments	433,558	380,755
	<u>2,403,017</u>	<u>5,282,313</u>

Creditors include amounts not wholly repayable within 5 years as follows:

Repayable by instalments	<u>-</u>	<u>16,341</u>
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14. Financial instruments

	2015 £	2014 £
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss	(433,558)	(380,755)
	<u>(433,558)</u>	<u>(380,755)</u>

Derivative financial instruments measured at fair value through profit or loss comprise currency and interest rate swaps.

15. Deferred taxation

	Deferred tax £
At 1 January 2015	76,151
Charged to the profit or loss	(14,469)
At 31 December 2015	<u><u>61,682</u></u>

The deferred tax asset is made up as follows:

	2015 £	2014 £
Tax relief on financial instruments	61,682	76,151
	<u>61,682</u>	<u>76,151</u>

**Notes to the financial statements
For the Year Ended 31 December 2015**

16. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
873,338 Ordinary shares of £1 each	873,338	873,338

17. Reserves

Share premium

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Profit & loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

18. Other financial commitments

i) Together with other group companies the company has entered into a deed of counter indemnity with fellow Thanet Earth growers, Rainbow UK, Kaaij UK, and Fresca Group Limited and is therefore jointly liable for any liabilities which might occur under this agreement.

ii) The company has provided a guarantee, together with its fellow group undertakings, secured by a debenture over the assets of each company in favour of Coöperatieve Rabobank Westland UA to support the borrowings of the group.

At 31 December 2015 the total exposure amounted to £3,315,139 (2014 - £4,312,648).

iii) Together with other group companies, the company has provided a cross guarantee to A&A UK Holding Limited to support its borrowings in relation to the loan provided by Fresca Group Limited. Amounts falling due from this agreement are secured by way of a debenture. The debenture is secured by way of a fixed and floating charge over all property and assets present and future of this company. At 31 December 2015 the total exposure amounted to £516,387 (2014 - £645,483).

iv) Together with other group companies, the company has provided a cross guarantee to TG1 Holding Limited, a joint venture of the group, to support the borrowings of that company. At the year end the total exposure amounted to £9,487,500 (2014 - £10,752,500).

19. Controlling party

The company is a wholly owned subsidiary of A&A UK Holding Limited.

In the opinion of the directors, there is no controlling party.

A&A UK Investments Limited

Notes to the financial statements
For the Year Ended 31 December 2015

20. First time adoption of FRS 102

	As previously stated 1 January 2014 £	Effect of transition 1 January 2014 £	FRS 102 (as restated) 1 January 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Note						
Fixed assets	1 7,359,909	(664,909)	6,695,000	6,002,836	532,164	6,535,000
Current assets	1,275,040	-	1,275,040	1,557,771	76,151	1,633,922
Creditors: amounts falling due within one year	(1,456,700)	-	(1,456,700)	(1,257,009)	-	(1,257,009)
Net current (liabilities)/assets	(181,660)	-	(181,660)	300,762	76,151	376,913
Total assets less current liabilities	7,178,249	(664,909)	6,513,340	6,303,598	608,315	6,911,913
Creditors: amounts falling due after more than one year	2 (5,566,919)	(199,516)	(5,766,435)	(4,901,558)	(380,755)	(5,282,313)
Provisions for liabilities	3 (443,957)	443,957	-	(341,553)	341,553	-
Net assets	1,167,373	(420,468)	746,905	1,060,487	569,113	1,629,600
Capital and reserves	1,167,373	(420,468)	746,905	1,060,488	569,112	1,629,600

Notes to the financial statements
For the Year Ended 31 December 2015

20. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Turnover		1,450,000	-	1,450,000
		1,450,000	-	1,450,000
Administrative expenses	1	(1,379,055)	1,357,072	(21,983)
Fair value movements on investment property	1	-	(160,000)	(160,000)
Operating profit		70,945	1,197,072	1,268,017
Loss on financial liabilities at fair value through profit and loss account	2	-	(261,240)	(261,240)
Interest payable and similar charges		(192,440)	-	(192,440)
Taxation	3	14,610	(26,253)	(11,643)
(Loss)/profit on ordinary activities after taxation and for the financial year		(106,885)	909,579	802,694

Explanation of changes to previously reported profit and equity:

- 1 The property held by the company is used by its fellow subsidiary, A&A Cucumbers Limited. Accordingly these assets were previously accounted for as plant, property and equipment under the historic cost model. FRS 102 requires this property to be recognised as investment property and consequently it is now revalued to fair value at each balance sheet date. Furthermore, a depreciation charge is no longer recognised in respect of these assets.
- 2 FRS 102 requires that the fair value of derivatives and any subsequent movement is recognised within the financial statements. Previously this information was disclosed within the notes to the accounts.
- 3 A deferred tax liability was previously recognised on the temporary timing difference created by capital allowances received in advance of depreciation. Following the reclassification of the company's assets to investment property this difference is now permanent, with no deferred taxation to recognise.

A deferred tax asset has been recognised from 31 December 2014 in respect of future corporation tax deductions resulting from the recognition of financial instruments at fair value in the financial statements.