Registered number: 06375826

A&A UK Investments Limited

Directors' report and financial statements

For the year ended 31 December 2022

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

Contents

Directors' report
For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

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.

Directors

The directors who served during the year were:

A J Breugem
A J De Gier

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

Auditor

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

In preparing this report, the directors have 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 J Breugem
Director

Date: 11 December 2023

Directors' responsibilities statement
For the year ended 31 December 2022

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 they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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

Opinion

We have audited the financial statements of A&A UK Investments Limited (the 'company') for the year ended 31 December 2022, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of A&A UK Investments Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of A&A UK Investments Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to increase revenue or reduce expenditure and management bias in judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

• Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety DEFRA) and fraud, and review of the reports made by management; and

• Assessment of identified fraud risk factors; and

• Review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and

• Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and

• Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the members of A&A UK Investments Limited (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

12 December 2023

Statement of income and retained earnings
For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		**976,548**	949,968
Gross profit		**976,548**	949,968
Administrative expenses		**(262,358)**	(251,851)
Operating profit		**714,190**	698,117
Interest payable and similar expenses		**-**	(1,049)
Profit before tax		**714,190**	697,068
Tax on profit	5	**(94,636)**	(87,281)
Profit after tax		**619,554**	609,787
Retained earnings at the beginning of the year		**1,657,927**	1,048,140
		1,657,927	1,048,140
Profit for the year		**619,554**	609,787
Retained earnings at the end of the year		**2,277,481**	1,657,927

The notes on pages 9 to 18 form part of these financial statements.

A&A UK Investments Limited
Registered number: 06375826

Balance sheet
As at 31 December 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	6		**792,671**		826,494
			792,671		826,494
Current assets					
Debtors: amounts falling due after more than one year	7	**86,806**		127,534	
Debtors: amounts falling due within one year	7	**3,821,675**		3,730,649	
Cash at bank and in hand		**46,013**		224	
		3,954,494		3,858,407	
Creditors: amounts falling due within one year	8	**(1,549,608)**		(2,106,898)	
Net current assets			**2,404,886**		1,751,509
Total assets less current liabilities			**3,197,557**		2,578,003
Net assets			**3,197,557**		2,578,003
Capital and reserves					
Called up share capital	10		**873,338**		873,338
Share premium account	11		**46,738**		46,738
Profit and loss account	11		**2,277,481**		1,657,927
			3,197,557		2,578,003

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 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: 11 December 2023

The notes on pages 9 to 18 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2022

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. The company's registered number is 06375826.

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.

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 financial statements are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with fellow group members.

The company's forecasts and projections, which take into account reasonable changes in trading performance, show that the company and the group it participates in should continue to generate positive cash flows for the foreseeable future.

After making enquiries of the parent company, A&A UK Holding Limited, and its fellow subsidiary, A&A Cucumbers Limited, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future however, if required, the directors will continue to provide their support to ensure the company is able to pay its' liabilities as they fall due. Consequently, the going concern basis has been adopted in preparing the financial statements.

2. Accounting policies (continued)

2.3 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 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.

2.5 Finance costs

Finance costs are charged to profit or loss 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. Accounting policies (continued)

2.6 Current and deferred taxation

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

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 10% straight line
Plant & machinery	- 5 - 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 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. Accounting policies (continued)

2.9 Cash and cash equivalents

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

2.10 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.

2.11 Financial instruments

The company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's Balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

3. Judgements 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:

Taxation

Provision has been made in the financial statements for a deferred tax asset amounting to £96,325 (2021 - £130,580) at the reporting date (see note 9). 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.

Tangible fixed assets

The company has recognised tangible fixed assets with a carrying value of £792,671 (2021 - £826,494) at the reporting date (see note 6). These assets are stated at their cost less provision for depreciation and impairment. The company's accounting policy sets out the approach to calculation depreciation for immaterial assets acquired. For material assets such as land and buildings the company determines at acquisition reliable estimates for the useful life of the asset, its residual value ad decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the company undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the company's forecasts for the foreseeable future which do not include any restructuring activities that the company is not yet committed to or significant future investments that enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash flows and the growth rate for extrapolation purposes.

Notes to the financial statements
For the year ended 31 December 2022

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2021 - 2).

5. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	**104,779**	84,977
Adjustments in respect of previous periods	**(44,398)**	-
	60,381	84,977
Total current tax	**60,381**	84,977
Deferred tax		
Origination and reversal of timing differences	**34,255**	44,268
Changes to tax rates	**-**	(41,964)
Total deferred tax	**34,255**	2,304
Taxation on profit on ordinary activities	**94,636**	87,281

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	**714,190**	697,068
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**135,696**	132,443
Effects of:		
Changes in tax rate	**(32,265)**	(31,340)
Group relief	**(8,795)**	(13,822)
Total tax charge for the year	**94,636**	87,281

5. Taxation (continued)

Factors that may affect future tax charges

The main rate of corporation tax increased on 1 April 2023 to 25% for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay at 19%, and marginal relief will apply between these thresholds. This change forms part of The Finance Bill 2021, which was substantively enacted on 24 May 2021.

Deferred taxes have been measured using rates substantively enacted at the reporting date and reflected in these financial statements.

6. Tangible fixed assets

	Freehold property	Plant & machinery	Total
	£	£	£
Cost or valuation			
At 1 January 2022	6,458,408	7,494,341	13,952,749
At 31 December 2022	6,458,408	7,494,341	13,952,749
Depreciation			
At 1 January 2022	5,671,659	7,454,596	13,126,255
Charge for the year on owned assets	20,087	13,736	33,823
At 31 December 2022	5,691,746	7,468,332	13,160,078
Net book value			
At 31 December 2022	766,662	26,009	792,671
At 31 December 2021	786,749	39,745	826,494

Included above is freehold land at cost of £608,612 (2021 - £608,612) which is not depreciated.

Accumulated finance costs capitalised in freehold land and buildings above amounts to £222,485 (2021 - £222,485).

Notes to the financial statements
For the year ended 31 December 2022

7. Debtors

	2022	2021
	£	£
Due after more than one year		
Deferred tax asset	**86,806**	127,534
	86,806	127,534

	2022	2021
	£	£
Due within one year		
Amounts owed by group undertakings	**3,800,281**	3,727,603
Other debtors	**11,875**	-
Deferred taxation	**9,519**	3,046
	3,821,675	3,730,649

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	**-**	1,650
Amounts owed to group undertakings	**1,436,523**	1,836,568
Corporation tax	**104,779**	84,977
Other taxation and social security	**-**	177,844
Accruals and deferred income	**8,306**	5,859
	1,549,608	2,106,898

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

9. Deferred taxation

	2022
	£
At beginning of year	**130,580**
Charged to the profit or loss	**(34,255)**
At end of year	**96,325**

9. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	77,288	102,023
Tax relief on financial instruments	19,037	28,557
	96,325	130,580

10. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
873,338 Ordinary shares of £1.00 each	873,338	873,338

11. Reserves

Share premium account

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.

12. 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 Investments Limited, Rainbow UK Trading & Growing Limited, Kaaij UK Investments Limited, Kaaij Greenhouses UK Limited, Kaaij UK Holding BV, Kaaij Brothers BV 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 A&A UK Holding Limited and A&A Cucumbers Limited, 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 2022 the total exposure amounted to £Nil (2021 - £Nil).

iii) Together with other group companies, the company has provided a cross guarantee to TG1 Holding Limited and its subsidiaries, a joint venture of the group, to support the borrowings of that group. At the year end the total exposure amounted to £18,390,032 (2021 - £16,125,413).

Notes to the financial statements
For the year ended 31 December 2022

13. 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.