

REGISTERED NUMBER: 09068010 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
4 NOVEMBER 2018 TO 2 NOVEMBER 2019
FOR
GCH FARMS HOLDINGS LIMITED**



GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Consolidated Income Statement	9
Consolidated Other Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Cash Flow Statement	15
Notes to the Consolidated Cash Flow Statement	16
Notes to the Consolidated Financial Statements	17

GCH FARMS HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

DIRECTORS:

D Thompson
C J Shropshire
H J Shropshire
G W Shropshire
T J Smith

REGISTERED OFFICE:

Hainey Farm
Barway
Ely
Cambridgeshire
CB7 5TZ

REGISTERED NUMBER:

09068010 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
Victoria House
199 Avebury Boulevard
Milton Keynes
Buckinghamshire
MK9 1AU

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**GROUP STRATEGIC REPORT
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

The directors present their strategic report of the company and the group for the period 4 November 2018 to 2 November 2019.

REVIEW OF BUSINESS

The results of the group show sales of £13.3m (2018: £11.9m) and pre-tax profit of £1.0m (2018: £0.2m) for the period. At the period end the company had net assets of £5.1m (2018: £4.3m).

The reported results of the company are for 52 weeks (2018: 52 weeks).

The directors are satisfied with the performance of the company and expect it to trade profitably in the future.

The principal activity of the group is farming.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's principal operational risk and uncertainties include exposure to UK and global macroeconomic conditions, reliance on key personnel, security of customers and supply chain, reputation. Notwithstanding these risks and uncertainties, the Directors expect the group to continue to trade profitably in the future.

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 that the company is always faced with the uncertainties of the weather and its impact upon both supply of product and demand of the ultimate customers.

Financial risk management:

The group uses various financial instruments including loans, cash, 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 group's ongoing operations and capital expenditure programme. Their existence exposes the group to a number of financial risks, primarily interest rate and credit risk.

Interest rate risk:

The group's exposure to interest rate and liquidity risk is considered low due to the healthy cash position.

Credit risk:

The principal credit risk lies with trade debtors. This is not considered a high risk as a significant proportion of the group's turnover is with G's Growers Limited, a cooperative with 24 active members within the UK and Spain, who via marketing agents trade with major supermarket multiples, processors and wholesale markets. The credit terms with G's Growers Limited are between 21-28 days. Other customers' credit terms are based on payment history and reviewed on a regular basis.

FINANCIAL KEY PERFORMANCE INDICATORS

Overall profitability is a key indicator of the company's performance. The profit for the period was £1.0m (2018: £0.2m).

In addition to the above, other KPI's, both financial and non-financial, are used for management purposes.

The directors are satisfied with the performance of the group in the period.

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**GROUP STRATEGIC REPORT
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

OTHER KEY PERFORMANCE INDICATORS

In addition to the above, other KPI's both financial and non-financial, are used for management purposes.

ON BEHALF OF THE BOARD:


.....
D Thompson - Director

Date: 26-10-20
.....

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**REPORT OF THE DIRECTORS
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

The directors present their report with the financial statements of the company and the group for the period 4 November 2018 to 2 November 2019.

DIVIDENDS

No dividends will be distributed for the period ended 2 November 2019.

FUTURE DEVELOPMENTS

The directors anticipate no significant changes to the group's activities for the foreseeable future.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 4 November 2018 to the date of this report.

D Thompson
C J Shropshire
H J Shropshire
G W Shropshire
T J Smith

GOING CONCERN

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the company of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the company's ability to trade.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.


GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**REPORT OF THE DIRECTORS
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
D Thompson - Director

Date: 26/10/20.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCH FARMS HOLDINGS LIMITED

Opinion

We have audited the financial statements of GCH Farms Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 4 November 2018 to 2 November 2019, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, 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 group's and of the parent company's affairs as at 2 November 2019 and of the group's profit/loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

Conclusions relating to going concern (continued)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCH FARMS HOLDINGS LIMITED

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Company will continue in operation.

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 this regard.

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.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, 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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCH FARMS HOLDINGS LIMITED

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.



Gareth Norris FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
Victoria House
199 Avebury Boulevard
Milton Keynes
Buckinghamshire
MK9 1AU

Date: 28/10/2020.....

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Notes	Period 4/11/18 to 2/11/19		Period 5/11/17 to 3/11/18	
		£	£	£	£
TURNOVER	3		13,284,755		11,856,552
Cost of sales			11,288,180		10,815,088
GROSS PROFIT			1,996,575		1,041,464
Administrative expenses			971,701		824,019
			1,024,874		217,445
Other operating income			-		817
OPERATING PROFIT	5		1,024,874		218,262
Income from interest in associated undertakings		(49,054)		(17,926)	
Interest receivable and similar income		12,812		5,538	
			(36,242)		(12,388)
			988,632		205,874
Interest payable and similar expenses	7		25,768		15,389
PROFIT BEFORE TAXATION			962,864		190,485
Tax on profit	8		191,126		37,984
PROFIT FOR THE FINANCIAL PERIOD			771,738		152,501
Profit attributable to: Owners of the parent			771,738		152,501

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Notes	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
PROFIT FOR THE PERIOD		771,738	152,501
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>771,738</u>	<u>152,501</u>
Total comprehensive income attributable to: Owners of the parent		<u>771,738</u>	<u>152,501</u>


The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

CONSOLIDATED BALANCE SHEET
2 NOVEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	10	863,167	755,308
Investments	11		
Interest in associate		697,735	731,452
Other investments		30,000	30,000
		<u>1,590,902</u>	<u>1,516,760</u>
CURRENT ASSETS			
Stocks	12	1,574,943	1,331,904
Debtors	13	2,010,035	748,412
Cash at bank		2,714,319	2,767,544
		<u>6,299,297</u>	<u>4,847,860</u>
CREDITORS			
Amounts falling due within one year	14	<u>2,647,687</u>	<u>1,766,964</u>
NET CURRENT ASSETS		<u>3,651,610</u>	<u>3,080,896</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,242,512</u>	<u>4,597,656</u>
CREDITORS			
Amounts falling due after more than one year	15	<u>176,946</u>	<u>303,828</u>
NET ASSETS		<u><u>5,065,566</u></u>	<u><u>4,293,828</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000	10,000
Retained earnings	20	5,055,566	4,283,828
SHAREHOLDERS' FUNDS		<u><u>5,065,566</u></u>	<u><u>4,293,828</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/10/20 and were signed on its behalf by:



.....
D Thompson - Director

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**COMPANY BALANCE SHEET
2 NOVEMBER 2019**

	Notes	£ 2019	£ 2018
FIXED ASSETS			
Tangible assets	10	-	-
Investments	11	2	2
		<u>2</u>	<u>2</u>
CURRENT ASSETS			
Debtors	13	60	62
Cash at bank		9,938	9,936
		<u>9,998</u>	<u>9,998</u>
NET CURRENT ASSETS		<u>9,998</u>	<u>9,998</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,000</u>	<u>10,000</u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000	10,000
SHAREHOLDERS' FUNDS		<u>10,000</u>	<u>10,000</u>
Company's profit for the financial year		<u>-</u>	<u>-</u>

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 by the Board of Directors and authorised for issue on 26/10/20 and were signed on its behalf by:



.....
D Thompson - Director

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 5 November 2017	10,000	4,131,327	4,141,327
Changes in equity			
Total comprehensive income	-	152,501	152,501
Balance at 3 November 2018	10,000	4,283,828	4,293,828
Changes in equity			
Total comprehensive income	-	771,738	771,738
Balance at 2 November 2019	10,000	5,055,566	5,065,566

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 5 November 2017	10,000	-	10,000
Changes in equity			
Balance at 3 November 2018	10,000	-	10,000
Changes in equity			
Balance at 2 November 2019	10,000	-	10,000

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

		Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	977,985	1,293,701
Interest element of hire purchase payments paid		(6,009)	-
Interest in Associate		(49,054)	(17,926)
Tax paid		(123,293)	(228,621)
Net cash from operating activities		<u>799,629</u>	<u>1,047,154</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(406,000)	(422,250)
Sale of tangible fixed assets		130,000	80,000
Share of loss in associates		33,717	41,926
Interest received		12,812	5,538
Net cash from investing activities		<u>(229,471)</u>	<u>(294,786)</u>
Cash flows from financing activities			
Loan repayments in year		(100,000)	(100,000)
Capital repayments in year		53,021	204,558
Interest paid		(19,759)	(15,389)
Net cash from financing activities		<u>(66,738)</u>	<u>89,169</u>
Increase in cash and cash equivalents		<u>503,420</u>	<u>841,537</u>
Cash and cash equivalents at beginning of period	2	<u>2,011,337</u>	<u>1,169,800</u>
Cash and cash equivalents at end of period	2	<u><u>2,514,757</u></u>	<u><u>2,011,337</u></u>

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Profit before taxation	962,864	190,485
Depreciation charges	220,051	188,658
(Profit)/loss on disposal of fixed assets	(51,910)	43,977
Finance costs	25,768	15,389
Finance income	36,242	12,388
	<u>1,193,015</u>	<u>450,897</u>
(Increase)/decrease in stocks	(243,039)	1,753,737
(Increase)/decrease in trade and other debtors	(1,329,456)	212,458
Increase/(decrease) in trade and other creditors	<u>1,357,465</u>	<u>(1,123,391)</u>
Cash generated from operations	<u><u>977,985</u></u>	<u><u>1,293,701</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 2 November 2019

	2/11/19 £	4/11/18 £
Cash and cash equivalents	2,714,319	2,767,544
Bank overdrafts	(199,562)	(756,207)
	<u><u>2,514,757</u></u>	<u><u>2,011,337</u></u>

Period ended 3 November 2018

	3/11/18 £	5/11/17 £
Cash and cash equivalents	2,767,544	1,169,800
Bank overdrafts	(756,207)	-
	<u><u>2,011,337</u></u>	<u><u>1,169,800</u></u>

The notes form part of these financial statements

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

1. STATUTORY INFORMATION

GCH Farms Holdings 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 General Information page.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method, an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown in the Group's share of the identifiable net assets, including any amortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation uncertainty is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

Fixed assets:

Depreciation is charged with due consideration to the useful economic life and residual value of fixed assets and the continuing appropriateness of the applied policy is considered on an annual basis by the directors.

Stock provision:

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. 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.

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- The Group has transferred the significant risk and rewards of ownership to the buyer;
- The Group retains neither continuing managerial involvement of the degree usually associated with ownership nor effective control over the goods sold;
- The amount of turnover can be measured reliably;
- It is probable that the Group will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of turnover can be measured reliably;
- It is probable that the Group will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- The costs incurred and the costs to complete the contract can be measured reliably.

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.

Depreciation is provided on the following basis:

Plant and machinery - 4 years straight line and 25% reducing balance

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 the Consolidated statement of comprehensive income.

Investments in associates

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchases on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 costs using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 the 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 Consolidated statement of comprehensive income.

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 of the recoverable amount, which is an approximation of the amount that the Group 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.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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 Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

Hire purchase and leasing commitments

Rentals paid under operating leases are charge to the Consolidated statement of comprehensive income on a straight line over the lease term.

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 Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Debtors

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

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****2. ACCOUNTING POLICIES - continued****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 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Creditors

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

Going concern

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the company of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the company's ability to trade. The directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

3. TURNOVER

The whole of the turnover is attributable to farming.

All turnover arose within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

The Group and Company have no employees other than the directors, who did not receive any remuneration (2018:£nil).

5. OPERATING PROFIT

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

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Depreciation - owned assets	112,671	149,783
Depreciation - assets on hire purchase contracts	107,380	38,875
(Profit)/loss on disposal of fixed assets	(51,910)	43,977
Foreign exchange differences	(568)	(461)
Operating lease rentals	628,462	563,003
Cost of stock recognised	4,207,029	4,325,409

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****6. AUDITORS' REMUNERATION**

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Fees payable to the company's auditors for the audit of the company's financial statements	15,500	16,200
Other non- audit services	4,325	5,175
	<u>19,825</u>	<u>21,375</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Bank interest	7,966	362
Loan interest	11,793	15,027
Hire purchase	6,009	-
	<u>25,768</u>	<u>15,389</u>

8. TAXATION**Analysis of the tax charge**

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

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Current tax:		
UK corporation tax	205,978	37,984
Adjustments for previous years	(14,852)	-
	<u>191,126</u>	<u>37,984</u>
Tax on profit		
	<u>191,126</u>	<u>37,984</u>

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****8. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Profit before tax	962,864	190,485
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	182,944	36,192
Effects of:		
Expenses not deductible for tax purposes	(50,869)	(6,143)
Adjustments to tax charge in respect of previous periods	59,051	7,935
Total tax charge	191,126	37,984

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. TANGIBLE FIXED ASSETS

Group	Plant and machinery £
COST	
At 4 November 2018	1,211,156
Additions	406,000
Disposals	(242,000)
At 2 November 2019	1,375,156
DEPRECIATION	
At 4 November 2018	455,848
Charge for period	220,051
Eliminated on disposal	(163,910)
At 2 November 2019	511,989
NET BOOK VALUE	
At 2 November 2019	863,167
At 3 November 2018	755,308

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****10. TANGIBLE FIXED ASSETS - continued****Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 4 November 2018	311,000
Additions	333,250
	<hr/>
At 2 November 2019	644,250
	<hr/>
DEPRECIATION	
At 4 November 2018	38,875
Charge for period	107,380
	<hr/>
At 2 November 2019	146,255
	<hr/>
NET BOOK VALUE	
At 2 November 2019	497,995
	<hr/>
At 3 November 2018	272,125
	<hr/>

11. FIXED ASSET INVESTMENTS**Group**

	Interest in associate £	Unlisted investments £	Totals £
COST			
At 4 November 2018	731,452	30,000	761,452
Share of profit/(loss)	(33,717)	-	(33,717)
	<hr/>	<hr/>	<hr/>
At 2 November 2019	697,735	30,000	727,735
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 2 November 2019	697,735	30,000	727,735
	<hr/>	<hr/>	<hr/>
At 3 November 2018	731,452	30,000	761,452
	<hr/>	<hr/>	<hr/>

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****Group****Interest in associate****Participating Interests****Associates**

The following were associated undertakings of the Group:

Name	Registered office	Class of shares	Holding	Principal activity
Littleport Mushrooms Farms LLP	United Kingdom	Designated member	20%	Mushroom farming
Fiddleford Holdings Limited	United Kingdom	Ordinary	48%	Investment holding company

At 2 November 2019, the aggregate of share capital and reserves of Littleport Mushroom Farms LLP was £2,136,794 and the profit for the year then ended was £164,022.

At 2 November 2019, the aggregate of share capital and reserves of Fiddleford Holdings Limited was £560,235 and the loss for the period then ended was £137,869.

Company

	Shares in group undertaking £
COST	
At 4 November 2018 and 2 November 2019	2
NET BOOK VALUE	
At 2 November 2019	2
At 3 November 2018	2

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**GCH Mushrooms Limited**

Registered office: United Kingdom

Nature of business: Investment holding company

Class of shares:	% holding
Ordinary	100.00

GCH Growers Limited

Registered office: United Kingdom

Nature of business: Farming

Class of shares:	% holding
Ordinary	100.00

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****12. STOCKS**

	Group	
	2019	2018
	£	£
Finished goods	<u>1,574,943</u>	<u>1,331,904</u>

Stock recognised in cost of sales during the period as an expense was £4,207,029 (2018: £4,325,409).

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	910,405	346,740	-	-
Amounts owed by group undertakings	-	-	60	62
Other debtors	<u>1,099,630</u>	<u>401,672</u>	<u>-</u>	<u>-</u>
	<u>2,010,035</u>	<u>748,412</u>	<u>60</u>	<u>62</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2019	2018
	£	£
Bank loans and overdrafts (see note 16)	199,562	756,207
Other loans (see note 16)	100,000	100,000
Hire purchase contracts (see note 17)	180,633	100,730
Trade creditors	1,759,047	417,389
Other creditors	298,178	248,438
Accrued expenses	<u>110,267</u>	<u>144,200</u>
	<u>2,647,687</u>	<u>1,766,964</u>

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

	Group	
	2019	2018
	£	£
Other loans (see note 16)	100,000	200,000
Hire purchase contracts (see note 17)	<u>76,946</u>	<u>103,828</u>
	<u>176,946</u>	<u>303,828</u>

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****16. LOANS**

An analysis of the maturity of loans is given below:

	Group	
	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	199,562	756,207
Other loans	100,000	100,000
	<u>299,562</u>	<u>856,207</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>100,000</u>	<u>100,000</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>100,000</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	180,633	100,730
Between one and five years	76,946	103,828
	<u>257,579</u>	<u>204,558</u>

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	<u>-</u>	<u>29,955</u>

The company has no such commitments (2018: £nil).

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****18. FINANCIAL INSTRUMENTS**

	Group 2 November 2019 £	Group 3 November 2018 £	Company 2 November 2019 £	Company 3 November 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	2,744,319	2,827,544	9,938	9,936
Financial assets that are debt instruments measured at amortised cost	2,010,035	647,975	60	62
	<u>4,754,354</u>	<u>3,475,519</u>	<u>9,998</u>	<u>9,998</u>
Financial liabilities				
Other financial liabilities measured at fair value through profit or loss	(199,562)	(756,207)	-	-
Financial liabilities measured at amortised cost	(2,514,804)	(1,570,474)	-	-
	<u>(2,824,634)</u>	<u>(2,326,661)</u>	<u>-</u>	<u>-</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Other financial liabilities measured at fair value through profit and loss comprise bank overdraft.

Financial liabilities measured at amortised cost comprise trade creditors, other loans, other creditors and obligations under finance lease and hire purchase contracts.

19. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	2019 £	2018 £
6,000	Ordinary A, B, C (2,000 each class)	£1	6,000	6,000
4,000	Ordinary D	£1	4,000	4,000
			<u>10,000</u>	<u>10,000</u>

All ordinary shares carry voting rights of one vote per share and rank pari passu.

GCH FARMS HOLDINGS LIMITED (REGISTERED NUMBER: 09068010)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****20. RESERVES****Group**

	Retained earnings £
At 4 November 2018	4,283,828
Profit for the period	771,738
	<hr/>
At 2 November 2019	5,055,566
	<hr/>

21. RELATED PARTY DISCLOSURES**Entities with control, joint control or significant influence over the entity**

	2019 £	2018 £
Sales and recharges	5,650,737	9,724,596
Purchases	4,650,295	9,507,756
Amount due from related party	895,656	346,739
Amount due to related party	172	245,609
	<hr/>	<hr/>

The company had related party transactions as above during the period.

Key management personnel of the group are remunerated through other connected entities which do not form part of this consolidation.

22. POST BALANCE SHEET EVENTS

Covid-19 is a non-adjusting post balance sheet event and it is not possible to quantify the financial effect of this although the directors believe that there is no material adverse effect on the company's ability to trade.

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.