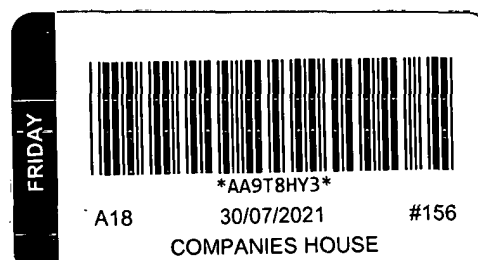


Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements  
for the Period 13 September 2019 to 31 October 2020  
for  
GPS Group Holdings Limited



Contents of the Consolidated Financial Statements  
for the Period 3 November 2019 to 31 October 2020

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GPS Group Holdings Limited

Company Information

for the Period 3 November 2019 to 31 October 2020

**DIRECTORS:**

G P Shropshire  
D Thompson

**SECRETARY:**

D Thompson

**REGISTERED OFFICE:**

Hailey Farm  
Barway  
Ely  
Cambridgeshire  
CB7 5TZ

**REGISTERED NUMBER:**

12206931 (England and Wales)

**AUDITORS:**

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

**BANKERS:**

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

The directors present their strategic report of the company and the group for the period from incorporation on 13 September 2019 to 31 October 2020.

## **REVIEW OF BUSINESS**

The Group made an operating profit of £4.4m (2019 - £3.8m) for the period.

The reported results of the Group are for 52 weeks (2019 - 52 weeks).

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

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

The group uses various financial instruments, these include cash 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 operations.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

### Liquidity Risk

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

### Credit Risk

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

### Currency Risk

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

### COVID-19

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.

## **FINANCIAL KEY PERFORMANCE INDICATORS**

Turnover is a key measure of the group's performance. Sales for the period were £27.9m (2019: £25.9m).

Overall profitability is a key indicator of the group's performance. The profit for the financial period was £3.5m (2019: £3.1m).

Working capital management is seen as an important target for the business. At the period end, the net current asset level was £11.0m (2019: £6.5m).

GPS Group Holdings Limited

Group Strategic Report  
for the Period 3 November 2019 to 31 October 2020

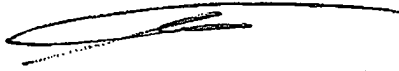
OTHER KEY PERFORMANCE INDICATORS

Maintaining health and safety standards across the group is seen as a key issue by the directors. The group continues to invest in the health and welfare of its employees and customers.

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

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: 28-07-2021

Report of the Directors

for the Period 3 November 2019 to 31 October 2020

The directors present their report with the financial statements of the company and the group for the period from incorporation on 13 September 2019 to 31 October 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the period under review was that of farming.

**DIVIDENDS**

No dividends will be distributed for the period ended 31 October 2020.

**FUTURE DEVELOPMENTS**

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

**DIRECTORS**

The directors shown below have held office during the whole of the period from 3 November 2019 to the date of this report.

G P Shropshire  
D Thompson

**INCORPORATION**

The company was incorporated on 13 September 2019.

**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.


GPS Group Holdings Limited

Report of the Directors for the Period 3 November  
2019 to 31 October 2020

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: 28-07-2021

**Independent auditor's report to the members of GPS Group Holdings Limited**

**Opinion**

We have audited the financial statements of GPS Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 13 September 2019 to 31 October 2020, which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated cash flow statement 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 31 October 2020 and of the group's profit 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 group's and parent 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 group's and parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or 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 group's and parent 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 group's and parent 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.

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 four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Report of the Independent Auditors to the Members of  
GPS Group Holdings Limited

**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.

*Grant Thornton UK LLP*

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: 29 July 2021

GPS Group Holdings Limited

Consolidated Statement of Comprehensive Income  
for the Period 3 November 2019 to 31 October 2020

	Notes	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
<b>TURNOVER</b>	3	27,924	25,921
Cost of sales		24,569	22,306
<b>GROSS PROFIT</b>		3,355	3,615
Administrative expenses		319	463
		3,036	3,152
Other operating income		1,363	604
<b>GROUP OPERATING PROFIT</b>	5	4,399	3,756
Share of operating (loss)/profit in Associates		(35)	113
Interest receivable and similar income	7	4	11
		4,368	3,880
Interest payable and similar expenses	8	6	12
<b>PROFIT BEFORE TAXATION</b>		4,362	3,868
Tax on profit	9	870	771
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		3,492	3,097
Profit attributable to: Owners of the parent		3,492	3,097

The notes form part of these financial statements

GPS Group Holdings Limited

Consolidated Other Comprehensive Income  
for the Period 3 November 2019 to 31 October 2020

	Notes	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
<b>PROFIT FOR THE PERIOD</b>		3,492	3,097
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>3,492</u>	<u>3,097</u>
Total comprehensive income attributable to: Owners of the parent		<u>3,492</u>	<u>3,097</u>

The notes form part of these financial statements

GPS Group Holdings Limited (Registered number: 12206931)

Consolidated Balance Sheet

31 October 2020

	Notes	2020 £'000	2019 £'000
<b>FIXED ASSETS</b>			
Intangible assets	12	-	9
Tangible assets	13	15,988	15,598
Investments	14		
Interest in associate		484	617
Other investments		1,401	2,433
		<u>17,873</u>	<u>18,657</u>
<b>CURRENT ASSETS</b>			
Stocks	15	816	827
Debtors	16	5,388	3,145
Cash at bank	17	10,121	6,933
		<u>16,325</u>	<u>10,905</u>
<b>CREDITORS</b>			
Amounts falling due within one year	18	5,399	4,398
<b>NET CURRENT ASSETS</b>		<u>10,926</u>	<u>6,507</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,799</u>	<u>25,164</u>
<b>PROVISIONS FOR LIABILITIES</b>	20	<u>213</u>	<u>70</u>
<b>NET ASSETS</b>		<u><u>28,586</u></u>	<u><u>25,094</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	213	213
Other reserve arising on consolidation	22	828	828
Retained earnings	22	27,545	24,053
<b>SHAREHOLDERS' FUNDS</b>		<u><u>28,586</u></u>	<u><u>25,094</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/7/2021 and were signed on its behalf by:



G P Shropshire - Director

The notes form part of these financial statements

GPS Group Holdings Limited (Registered number: 12206931)

Company Balance Sheet

31 October 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	12		-		-
Tangible assets	13		-		-
Investments	14		213		-
			<u>213</u>		<u>-</u>
<b>CURRENT ASSETS</b>					
Debtors	16	<u>1</u>		<u>-</u>	
<b>NET CURRENT ASSETS</b>			<u>1</u>		<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>214</u>		<u>-</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		213		-
Retained earnings			<u>1</u>		<u>-</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>214</u>		<u>-</u>
Company's profit for the financial year			<u>1</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 28/7/2021 and were signed on its behalf by:



G P Shropshire - Director

The notes form part of these financial statements

GPS Group Holdings Limited

Consolidated Statement of Changes in Equity  
for the Period 3 November 2019 to 31 October 2020

	Called up share capital £'000	Retained earnings £'000	Other reserve arising on consolidation £'000	Total equity £'000
<b>Balance at 4 November 2018</b>	213	44,957	828	45,998
<b>Changes in equity</b>				
Dividends	-	(24,001)	-	(24,001)
Total comprehensive income	-	3,097	-	3,097
<b>Balance at 2 November 2019</b>	213	24,053	828	25,094
<b>Changes in equity</b>				
Total comprehensive income	-	3,492	-	3,492
<b>Balance at 31 October 2020</b>	213	27,545	828	28,586

The notes form part of these financial statements

GPS Group Holdings Limited

Company Statement of Changes in Equity  
for the Period 3 November 2019 to 31 October 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
<b>Changes in equity</b>			
<b>Balance at 2 November 2019</b>	-	-	-
<b>Changes in equity</b>			
Issue of share capital	213	-	213
Total comprehensive income	-	1	1
<b>Balance at 31 October 2020</b>	213	1	214

The notes form part of these financial statements



GPS Group Holdings Limited

Consolidated Cash Flow Statement

for the Period 3 November 2019 to 31 October 2020

		Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	3,653	5,103
Tax paid		(660)	(834)
Net cash from operating activities		<u>2,993</u>	<u>4,269</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(993)	(1,365)
Sale of tangible fixed assets		60	33
Sale of fixed asset investments		1,032	-
Interest received		4	11
Distributions received - associates		98	-
Net cash from investing activities		<u>201</u>	<u>(1,321)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		-	(51)
Interest paid		(6)	(12)
Equity dividends paid		-	(24,001)
Net cash from financing activities		<u>(6)</u>	<u>(24,064)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>3,188</u>	<u>(21,116)</u>
<b>Cash and cash equivalents at beginning of period</b>	2	6,933	28,049
<b>Cash and cash equivalents at end of period</b>	2	<u><u>10,121</u></u>	<u><u>6,933</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Period 3 November 2019 to 31 October 2020

1. **RECONCILIATION OF PROFIT FOR THE FINANCIAL PERIOD TO CASH GENERATED FROM OPERATIONS**

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Profit for the financial period	3,492	3,097
Depreciation charges	587	526
Profit on disposal of fixed assets	(44)	(27)
Share of associate losses	35	(113)
Amortisation charges	9	9
Finance costs	6	12
Finance income	(4)	(11)
Taxation	870	771
	<hr/>	<hr/>
	4,951	4,264
Decrease in stocks	12	52
(Increase)/decrease in trade and other debtors	(1,686)	716
Increase in trade and other creditors	376	71
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>3,653</b>	<b>5,103</b>
	<hr/>	<hr/>

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 31 October 2020**

	31.10.20 £'000	3.11.19 £'000
Cash and cash equivalents	10,121	6,933
	<hr/>	<hr/>

**Period ended 2 November 2019**

	2.11.19 £'000	4.11.18 £'000
Cash and cash equivalents	6,933	28,049
	<hr/>	<hr/>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 3.11.19 £'000	Cash flow £'000	At 31.10.20 £'000
<b>Net cash</b>			
Cash at bank	6,933	3,188	10,121
	<hr/>	<hr/>	<hr/>
	6,933	3,188	10,121
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>6,933</b>	<b>3,188</b>	<b>10,121</b>
	<hr/>	<hr/>	<hr/>

1. **STATUTORY INFORMATION**

GPS Group 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 merger accounting. In the Balance Sheet, the carrying values of the assets and liabilities of the combining parties have not been adjusted to fair value, although appropriate adjustments are made to achieve uniformity of accounting policies in the combining entities. The acquiree's assets and liabilities are recognised at their carrying values from the beginning of the financial year in which the combination occurred. The comparative information has been restated by including the total comprehensive income for all the combining entities for the previous reporting period and their statement of financial position for the previous reporting date. The results of acquired operations are deconsolidated from the date control ceases.

**Associates and joint ventures**

Any 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 operational 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 and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of 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 as the Group's share of identifiable net assets, including any unamortised 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 the directors to make judgements, estimates and assumptions concerning the future. There are made based on all knowledgeable, available information and through consultation with professional advisers where necessary.

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 provisions

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.

**2. ACCOUNTING POLICIES - continued**

**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.

**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 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:

**Sales of goods**

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to 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 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.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

SPS Entitlements are being amortised evenly over their estimated useful life of four years.

2. **ACCOUNTING POLICIES - continued**

**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:

Freehold property	- 25 years straight line
Improvements to property	- 10 - 20 years straight line
Plant and machinery	- 20 - 25% reducing balance and 3 - 10 years 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 the Consolidated Statement of Comprehensive Income.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Financial instruments**

The Group 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 the present value of 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 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 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 cost less impairment, the impairment loss is measured as the difference between the 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.

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

**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**

**Functional and presentational currency**

The Group'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 date 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 the 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**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

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

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

**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 three 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.

**Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet

**Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured at market value at each balance sheet date. Gains and loss 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 historical cost less impairment.

**3. TURNOVER**

The turnover and operating profit are attributable to growing, processing, packaging and marketing salad and vegetable crops.

All turnover arose within the United Kingdom.

**4. EMPLOYEES AND DIRECTORS**

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Wages and salaries	755	574
Social security costs	86	80
Other pension costs	15	14
	<u>856</u>	<u>668</u>

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the period was as follows:

	Period 3.11.19 to 31.10.20	Period 4.11.18 to 2.11.19
Directors	2	2
Others	15	15
	<u>17</u>	<u>17</u>

During the period ended 31 October 2020, GPS Group Holdings Limited did not employ any members of staff and incurred no staff costs.

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Directors' remuneration	199	154
	<u>199</u>	<u>154</u>

**5. OPERATING PROFIT**

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

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Depreciation - owned assets	587	480
Depreciation - assets on hire purchase contracts or finance leases	-	46
Profit on disposal of fixed assets	(44)	(27)
SPS Entitlements amortisation	9	9
Foreign exchange differences	3	1
Operating lease rentals	<u>384</u>	<u>409</u>

**6. AUDITORS' REMUNERATION**

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Fees payable to the company's auditors for the audit of the company's financial statements	28	29
Other non- audit services	<u>4</u>	<u>5</u>



Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt.

**9. TAXATION**

**Analysis of the tax charge**

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

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Current tax:		
UK corporation tax	731	816
Prior year adjustments	(4)	28
Total current tax	<u>727</u>	<u>844</u>
Deferred tax:		
Deferred tax	146	(73)
Prior period adjustments	(3)	-
Total deferred tax	<u>143</u>	<u>(73)</u>
Tax on profit	<u><u>870</u></u>	<u><u>771</u></u>

UK corporation tax has been charged at 19% (2019 - 19%).

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

9. **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 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Profit before tax	4,362	3,868
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	829	735
Effects of:		
Expenses not deductible for tax purposes	15	50
Income not taxable for tax purposes	-	(20)
Adjustments to tax charge in respect of previous periods	26	(36)
Tax rate changes	-	43
Other tax changes	-	(1)
Total tax charge	870	771

10. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

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.

11. **DIVIDENDS**

The profit for the period, after taxation, amounted to £3,492k (2019: £3,097k).

The total distribution of dividends for the period ended 31 October 2020 will be £nil (2019: £24,001k).

12. **INTANGIBLE FIXED ASSETS**

**Group**

	SPS Entitlements £'000
<b>COST</b>	
At 3 November 2019 and 31 October 2020	38
<b>AMORTISATION</b>	
At 3 November 2019	29
Amortisation for period	9
At 31 October 2020	38
<b>NET BOOK VALUE</b>	
At 31 October 2020	-
At 2 November 2019	9

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

## 13. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Improvements to property £'000	Plant and machinery £'000	Totals £'000
<b>COST</b>				
At 3 November 2019	12,022	4,171	4,503	20,696
Additions	-	453	540	993
Disposals	-	-	(145)	(145)
At 31 October 2020	12,022	4,624	4,898	21,544
<b>DEPRECIATION</b>				
At 3 November 2019	397	1,781	2,920	5,098
Charge for period	35	194	358	587
Eliminated on disposal	-	-	(129)	(129)
At 31 October 2020	432	1,975	3,149	5,556
<b>NET BOOK VALUE</b>				
At 31 October 2020	11,590	2,649	1,749	15,988
At 2 November 2019	11,625	2,390	1,583	15,598

## 14. FIXED ASSET INVESTMENTS

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Shares in group undertakings	-	-	213	-
Participating interests	484	617	-	-
Other investments not loans	1,401	2,433	-	-
	1,885	3,050	213	-

Additional information is as follows:

Group	Interest in associate £'000	Unlisted investments £'000	Totals £'000
<b>COST</b>			
At 3 November 2019	617	1,071	1,688
Disposals	-	(1,032)	(1,032)
Share of profit/(loss)	(35)	-	(35)
Dividends received	(98)	-	(98)
At 31 October 2020	484	39	523
<b>NET BOOK VALUE</b>			
At 31 October 2020	484	39	523
At 2 November 2019	617	1,071	1,688

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

14. **FIXED ASSET INVESTMENTS - continued****Group**

Investments (neither listed nor unlisted) were as follows:

	2020 £'000	2019 £'000
Cost	1,362	1,362
<b>Company</b>		Shares in group undertakings £'000
<b>COST</b>		
Additions		213
At 31 October 2020		213
<b>NET BOOK VALUE</b>		
At 31 October 2020		213

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
G S Shropshire Holdings Limited	Ordinary	100%	Holding company
G.S. Shropshire & Sons Limited	Ordinary (indirect)	100% (indirect)	Farming

The registered office address of all subsidiary undertakings is the same as that of the company.

On 19 September 2019, the Group acquired control of G S Shropshire Holdings Limited through the purchase of 100% of the share capital for total consideration of £212,936.

All combinations have been accounted for using merger accounting.

**Participating interest****Associates**

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding	Principal activity
Littleport Mushroom Farms LLP	United Kingdom	Designated Member	27.32%	Mushroom Farming

At 31 October 2020, the aggregate capital and reserves of Littleport Mushroom Farms LLP was £1,670,696 and the loss for the period then ended was £87,076.

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

## 15. STOCKS

	Group	
	2020	2019
	£'000	£'000
Raw materials	82	83
Work-in-progress	16	86
Finished goods	718	658
	<u>816</u>	<u>827</u>

## 16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	2,827	1,146	-	-
Amounts owed by group undertakings	-	-	1	-
Other debtors	1,290	1,646	-	-
Tax	53	207	-	-
VAT	857	146	-	-
Prepayments and accrued income	10	-	-	-
	<u>5,037</u>	<u>3,145</u>	<u>1</u>	<u>-</u>
Amounts falling due after more than one year:				
Amounts owed by associates	<u>351</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 17. CASH AT BANK

	Group	
	2020	2019
	£'000	£'000
Cash at bank and in hand	<u>10,121</u>	<u>6,933</u>

## 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2020	2019
	£'000	£'000
Trade creditors	4,521	3,715
Tax	257	344
Social security and other taxes	28	21
Other creditors	212	114
Accruals and deferred income	371	135
Accrued expenses	10	69
	<u>5,399</u>	<u>4,398</u>

## 19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

**Group**

	Non-cancellable operating leases	
	2020	2019
	£'000	£'000
Within one year	9	1
	<u>9</u>	<u>1</u>

**Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

**20. PROVISIONS FOR LIABILITIES**

	Group	
	2020	2019
	£'000	£'000
Deferred tax	213	70
	<u>213</u>	<u>70</u>

**Group**

	Deferred tax
	£'000
Balance at 3 November 2019	70
Charge to Statement of Comprehensive Income during period	143
Balance at 31 October 2020	<u>213</u>

	Group 31 October 2020 £'000	Group 2 November 2019 £'000
Accelerated capital allowances	(223)	(94)
Other timing differences	10	24
	<u>(213)</u>	<u>(70)</u>

Notes to the Consolidated Financial Statements - continued  
for the Period 3 November 2019 to 31 October 2020

21. **CALLED UP SHARE CAPITAL**

	31 October 2020 £'000	2 November 2019 £'000
<b>Allotted, called up and fully paid</b>		
212,936 A Ordinary shares of £0.70 each	149	149
212,936 B Ordinary shares of £0.30 each	64	64
	<u>213</u>	<u>213</u>

Each ordinary share carries one vote, is not redeemable and ranks equally with the other ordinary shares in all respects.

There are no restrictions on the distribution of dividends and the repayment of capital.

22. **RESERVES**

**Group**

	Retained earnings £'000	Other reserve arising on consolidation £'000	Totals £'000
At 3 November 2019	24,053	828	24,881
Profit for the period	3,492		3,492
At 31 October 2020	<u>27,545</u>	<u>828</u>	<u>28,373</u>

**Retained earnings**

This reserve includes all current and prior period retained profits and losses.

**Share premium account**

Any consideration paid in excess of nominal value is recorded as a share premium account.

**Capital redemption reserve**

This represents the value of share capital redeemed out of the company's profits.

**Other reserve arising on consolidation**

This reserve arises on consolidation as a result of differences in nominal value of share capital between parent and subsidiary.

23. **PENSION COMMITMENTS**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £15,015 (2019: £13,582). Contributions totalling £6,227 (2019: £3,052) were payable to the fund at the reporting date.

**24. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

	2020	2019
	£'000	£'000
Sales and recharges	13,563	11,946
Purchases	4,047	3,980
Debtors	2,069	825
Creditors	3,429	85
	<u>          </u>	<u>          </u>

During the period, a total of key management personnel compensation of £199k (2019 - £154k) was paid.

**25. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is G P Shropshire by virtue of his majority shareholding in the ultimate parent company.