Frobishers Juices Limited

Annual report and financial statements

Registered number 03738540

31 March 2020

Contents

Company information

Company registration number	03738540
Directors	DM Pearce NS Sprague GP Holland IC Taylor A Clark S Carter
Registered Office	6A Cranmere Court Matford Business Park Exeter Devon EX2 8PW
Bankers	NatWest Bank 59 High Street Exeter Devon EX4 3DL
Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE

Directors' report

The directors present the directors' report and the financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of the marketing and distribution of premium bottled fruit juices.

Business overview

The business focus is on supplying a premium brand of bottled fruit juices and juice drinks to both the high end on-trade and food service channels. We remain very much focused on our target A, B and C1 consumers and, as in previous years, have continued to increase overall case sales despite the continued decline of the on-trade sector.

In mid-March 2020, the "lock-down" imposed by the UK Government in response to the Covid19 pandemic, caused sales to fall overnight to almost zero. This caused us to lose out on the pre-Easter peak sales that would have partly fallen within this financial year. Until the end of February 2020,case sales volume had increased year on year by 4%. With the sales lost in March 2020, the full year case sales volume declined 2% year on year. Average selling price per case increased year on year by 2.6%

During the year, we continued to face a number of operational issues in bottling/packing our Juice product that required us to incur further additional costs in manually checking the application of caps and in the disposal of any product rejected as a result of these checks.

Until December 2019, the vast majority of our raw materials were purchased in either USD or EUR and all contract packing took place in the UK. In February 2020, contract packing for the Juice range was moved to France. As a result, exposure to the EUR significantly increased and exposure to the USD became minimal. The on-going Brexit negotiations between the UK and the EU resulted in continued volatility in foreign exchange rates throughout the year. On average, rates fell below that of our budget expectations. In addition, the business was impacted by variations in the base price of juice raw materials, driven mainly by crop yields and other forces largely out of our control.

The combination of these variables impacted our gross margin, which increased from 35.1% in the prior year to 40.3%.

Looking ahead at 2020/21, the Covid19 "lockdown" continued through April, May, June and early July severely impacting the business. In response, discretionary costs were cut, staff were furloughed and claims made under the Job Retention Scheme, effectively "moth-balling" the business until the virus was under control and business began to re-start. On July 4 the lockdown in the Hospitality sector was lifted and sales restarted, albeit at lower levels than in previous years.

In the light of New product Development and growing Brand awareness, budget expectations were for headline case sales growth of 10% in 2020/21. Following the Covid19 "lockdown" we anticipate that sales for 2020/21 will be around 50% of those in 2019/20. With the reduction in costs, the business should at least break-even at that level of sales.

With the move of Juice bottling to France, any tariffs introduced on Juice products after the Brexit Transition period will depress gross margins. The rate of any tariff had not been published when the budget was set so budgeting was based upon WTO tariff rates from 1 January 2021.

With the increased exposure to the Euro, the business has entered into a number of forward contracts to hedge its exposure and protect the exchange rate assumed in the budget.

Directors' report *(continued)*

Directors

The following directors have held office since 1 April 2019 and up to the date of approval of these financial statements:

DM Pearce	IC Taylor
NS Sprague	A Clark
GP Holland	S Carter

Basis of preparation

The report of the directors has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies, with reference to section 414B of the Companies Act 2006, an exemption has also been taken in relation to the preparation of a strategic report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

DMPearce

DM Pearce
Director

6a Cranmere Court
Matford Business Park
Exeter
EX2 8PW

9 November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FROBISHERS JUICES LIMITED

Opinion

We have audited the financial statements of Frobishers Juices Limited ("the company") for the year ended 31 March 2020 which comprise the income statement, statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ;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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. 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.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports that report and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Ian Brokenshire

Ian Brokenshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
10 November 2020

Income Statement
for the year ended 31 March 2020

	Note	2020	2019
		£	**£**
Turnover		**7,336,488**	7,279,801
Cost of sales		**(4,383,462)**	(4,722,229)
Gross profit		**2,953,026**	2,557,572
Administrative expenses		**(2,245,040)**	(2,181,054)
Non-recurring Items	*7*	**(338,715)**	(789,627)
Operating profit	*2*	**369,271**	(413,109)
Interest Receivable	*5*	**7,647**	141
Interest payable and similar charges	*6*	**(6,625)**	(6,829)
(Loss)/Profit on ordinary activities before taxation		**370,293**	(419,797)
Tax on (loss)/profit on ordinary activities	*8*	**(64,289)**	68,691
(Loss)/Profit for the financial year		**306,004**	(351,106)

The results above all arose from continuing operations.

The company has no items of Other Comprehensive Income in the current or preceding year.

The note on pages 10 to 19 form part of these financial statements.

Statement of Financial Position

at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	9		-		18,280
Tangible Assets	10		565,028		518,107
Current assets					
Inventories	15	865,455		1,323,932	
Debtors	11	1,307,973		1,593,486	
Cash at bank and in hand		1,018,306		172,792	
		3,191,734		3,090,210	
Creditors: amounts falling due within one year	12	(1,659,078)		(1,801,994)	
Net current assets			1,532,656		1,288,216
Total assets less current liabilities			2,097,684		1,824,603
Creditors: amounts falling due after more than one year	13		(238,856)		(271,779)
Net assets			1,858,828		1,552,824
Capital and reserves					
Called up share capital	17		300,000		300,000
Profit and loss account			1,558,828		1,252,824
Shareholders' funds			1,858,828		1,552,824

The notes on pages 10 to 19 form part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1 A – Small entities.

These financial statements were approved by the board of directors on 9 November 2020 and were signed on its behalf by:

DMPearce

DM Pearce
Director

Company registered number: 3738540

Statement of Changes in Equity
For the year ended 31 March 2020

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2018	300,000	1,603,930	1,903,930
Total comprehensive income for the period:			
Profit or loss	-	(351,106)	(351,106)
	300,000	1,252,824	1,552,824
Contributions by and distributions to owners:			
Dividends	-	-	-
Balance at 31 March 2019	**300,000**	**1,252,824**	**1,552,824**

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2019	300,000	1,252,824	1,552,824
Total comprehensive income for the period:			
Profit or loss	-	306,004	306,004
	300,000	1,558,828	1,858,828
Contributions by and distributions to owners:			
Dividends	-	-	-
Balance at 31 March 2020	**300,000**	**1,558,828**	**1,858,828**

Notes

(forming part of the financial statements)

1 Accounting policies

Frobishers Juices Limited ("The Company") is a company limited by shares and incorporated, domiciled and registered in England.

Basis of preparation

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) Section 1 A – Small entities as updated in July 2017.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102 Section 1A, the Company did not retrospectively change its accounting under old UK GAAP for de-recognition of financial assets and liabilities before the date of transition or accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 20.

Cash and Cash Equivalents

Under S1A of FRS 102 the company is exempted from the requirement to prepare a Statement of Cashflows as it is a qualifying small company.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Non-recurring Items

Non-recurring items represent charges for one-off expenditure outside the usual course of business, where no comparable charges were incurred in prior periods or are expected to be incurred in future periods.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33% straight line
Motor vehicles	33% straight line
Freehold Property	4% straight line

Freehold Property

Previously, the net assets of a 6a Cranmere Court, were transferred to the Company at net book value. The cost of the investment in that freehold property reflected the underlying fair value of its market price at the time of acquisition. As part of this acquisition there was an agreement to continue the sublet of the ground floor building to Radio Exe for a period of 18 months

Notes *(continued)*

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Basic Financial Instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Inventories

Inventory is valued at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow-moving and defective inventories.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.
The directors have prepared cash flow forecasts for a period of 18 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides including the impact of Covid-19, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The forecasts assume 2020/21 sales at 40% of those achieved in 2019/20 which the directors consider to be conservative. Any improvement on this assumption is cash generative.

To reduce costs and preserve cashflow the Directors took the following steps as soon as the Hospitality sector was locked down:

- Furloughed all employees other than a skeleton team to collect cash and process any orders coming in. From 6 July, some employees have returned to work part time.
- All employees waived their pay increase (due 1 Apr 20), waived their 2019/20 and 2020/21 bonus entitlements and those working took significant pay cuts until further notice.
- Deferred the production of product as far as possible
- Cancelled/reversed foreign exchange commitments to buy Euro no longer needed
- Made 4 roles redundant to reflect the expected long term contraction in the business
- Located outlets to sell short-dated stock at a significant discount but generating cash.

Notes *(continued)*

Going concern (continued)

- Cut all discretionary expenditure including Marketing and new product development until market conditions improve.
- Deferred the VAT liability for the quarter ended 31 March 2020 to 31 March 2021 as permitted by HMRC

Cash is monitored daily so that any additional actions required can be implemented promptly.

Since the year end, the company has successfully applied for a CBILS loan of £500,000.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

2 Operating profit

	2020	2019
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	**90,203**	84,151
Auditor's remuneration:		
- Audit of these financial statements	**15,600**	14,000
- Other services pursuant to taxation	**5,110**	4,605
- Other consultancy services	**12,000**	-
Operating lease rentals	**10,543**	6,021

3 Staff information

The following people were employed by the company during the year (including directors):

	2020	2019
	No.	No.
Directors	**6**	6
Selling and distribution	**8**	7
Marketing	**2**	2
Admin	**5**	5
	21	20

Notes *(continued)*

The staff costs in relation to the above were:

	£	£
Wages and salaries	**788,521**	781,513
Social security costs	**99,334**	104,639
Pension contributions	**53,121**	44,730
	940,976	930,882

4 Directors Remuneration

Total Directors remuneration borne by the Company during the year was £200,949.

5 Interest receivable

	2020 £	2019 £
On bank deposits and similar	**7,647**	141

6 Interest payable and similar charges

	2020 £	2019 £
On bank loans and overdrafts	**(6,625)**	(6,829)

7 Non-recurring items

	2020 £	2019 £
Rebrand costs	-	(192,257)
Product disposal	-	(101,666)
Cap Checking	**(120,962)**	(97,539)
Provision for bad debts	**(128,558)**	(398,165)
Legal Costs	**(89,195)**	-
	(338,715)	(789,627)

During the year, we continued to face a number of operational issues in bottling/packing some of our product. As a result of these the Company incurred additional costs for manually checking the application of caps, as well as additional charges for the disposal of product deemed not fit for sale. Additional costs under the same or similar headings invoiced to a third party remained unpaid at the year end and were provided for in full in the prior year. Given the non-recurring nature of these costs they have been classified as non-recurring in nature.

Notes *(continued)*

8 Taxation

	2020	2019
	£	**£**
Current taxation		
UK Corporation tax	**-**	-
Adjustment for prior years	**-**	(657)
Current tax charge	**-**	(657)
Deferred tax		
Origination/reversal of timing differences	**73,486**	(68,034)
Adjustment for prior years	**98**	-
Effect of tax rate change on opening balance	**(9,295)**	-
Deferred tax charge	**64,289**	(68,034)
Total tax charge	**64,289**	(68,691)
Factors affecting the tax charge for the year		
(Loss)/Profit for the year	**306,004**	(351,106)
Taxation at ordinary rate of corporation tax (19%)	**64,289**	(68,691)
(Loss)/Profit before taxation	**370,293**	(419,797)
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% *(2018: 19%)*	**70,356**	(79,761)
Effects of:		
Non-deductible expenses	**1,762**	3,723
Ineligible tangible fixed assets depreciation	**1,368**	-
Adjustments to previous periods	**98**	(657)
Effect of tax rate change	**(9,295)**	8,004
Total tax (credit)/charge	**64,289**	(68,691)

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly.

The deferred tax asset at 31st March 2020 has been calculated based on the rate of 19% substantively enacted at the balance sheet date (2019: 17%)

Notes *(continued)*

9 Investments

	2020	2019
	£	£
At Start of year	**18,280**	18,280
Written off during the year	**(18,280)**	-
At end of year	-	18,280

The company acquired the entire share capital of Five Valleys Cordials Limited (Registered Office: 6a Cranmere Court, Lustleigh Close, Exeter EX2 8PW) on 8 June 2016. Five Valleys Cordials Limited was dissolved on 8 May 2018. No further investments have been made during the current year.

Investment:	Shareholding	Profit/(loss) before tax		Net assets	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
		£	£	£	£
FiveValley Cordials	100%	-	-	-	18,280

10 Tangible fixed assets

	Motor vehicles	Plant and machinery	Freehold Property	Freehold Land	Total
	£	£	£	£	£
Cost					
At 1 April 2019	188,905	135,761	210,250	210,000	744,916
Additions	72,969	65,546	-	-	138,515
Disposals	(78,694)	(42,162)	-	-	(120,856)
At 31 March 2020	183,180	159,145	210,250	210,000	762,575
Depreciation					
At 1 April 2019	114,729	98,280	13,800	-	226,809
Charge for the year	46,958	36,045	7,200	-	90,203
Disposals	(77,303)	(42,162)	-	-	(119,465)
At 31 March 2020	84,384	92,163	21,000	-	197,547
Net book value					
At 31 March 2020	**98,796**	**66,982**	**189,250**	**210,000**	**565,028**
At 1 April 2019	74,176	37,481	196,450	210,000	518,107

Notes *(continued)*

11 Debtors

	2020 £	2019 £
Trade debtors	**955,145**	1,365,973
Prepayments and accrued income	**84,924**	68,409
Other debtors	**253,089**	80,000
Deferred tax (see note 14)	**14,815**	79,104
	1,307,973	1,593,486

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	**995,763**	1,363,300
Amounts owed to group undertakings	**96,842**	115,122
Bank loans & overdrafts	**25,616**	-
Liabilities under hire purchase agreements	**20,612**	-
Other taxation and social security	**164,891**	16,223
Accruals and deferred Income	**354,854**	304,660
Other creditors	**500**	2,689
	1,659,078	1,801,994

Amounts owed to group are interest free and repayable on demand.

13 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loan	**220,200**	271,779
Liabilities under hire purchase agreements	**18,656**	-
	238,856	271,779

The bank loan was taken out in 2017 and is repayable over 5 years. It is secured by a fixed charge over the freehold property. The interest rate on the loan is charged at 1.75% above Base Rate.

Notes *(continued)*

14 Deferred Tax

	£
Balance at 1 April 2019	(79,104)
Charge to the profit and loss account	64,289
Balance at 31 March 2020	**(14,815)**

The deferred tax asset is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	**6,464**	(6,948)
Short term timing differences	**(6,512)**	(131)
Tax losses carried forward and other deductions	**(14,767)**	(72,025)
	(14,815)	(79,104)

15 Inventories

	2020	2019
	£	£
Finished Goods	**862,874**	1,086,512
Raw Materials	**2,581**	237,420
	865,455	1,323,932

The amount of inventories charged to the profit and loss during the year was £4,062,818 (*2019: £3,988,116*) and is included in cost of sales. The write down of inventories to net realisable value during the year was £nil (*2019: £nil*).

16 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from thos of the company in an independently administered fund. The pension cost charge represents contributions payable b the company to the fund.

	2020	2019
	£	£
Contributions	**53,121**	44,730

There were no outstanding amounts owed in respect of these pension costs at year end (*2019: £nil*).

Notes *(continued)*

17 Share capital

	2020	2019
	£	£
Allotted, authorised, called up and fully paid		
300,000 ordinary shares of £1 each	**300,000**	300,000

18 Control

The ultimate parent company and controlling party is Frobishers Juices (Holdings) Limited, a company incorporated in England and Wales, which heads the largest and smallest group to include this company. Due to the size of the group the exemption from preparing consolidated group accounts has been taken.

19 Related party relationships and transactions

The company is a 100% owned subsidiary undertaking of Frobishers Juices (Holdings) Limited. As at 31 March 2020 the balance owed to the parent company was £96,570 *(2019: £96,570)*.

Due to the existence of common Management during the year, transactions and balances with Cobell Limited during the financial year have been disclosed below.

In the financial year Cobell Limited made sales of fruit juice products totalling £1,067,660 *(2019: £2,688,143)* to Frobishers Juices Limited, as at 31 March 2020 the balance owed to Cobell Limited from Frobishers Juices Limited was £Nil *(2019: £465,942)*.

At 31 March 2020 a balance of £Nil *(2019: £173)* was owed from Cobell Limited to Frobishers Juices Limited relating to other recharges, of which £2,520 was charged to Cobell Limited by Frobishers Juices Limited in the financial year ended 31st March 2020 *(2019: £9,920)*.

All related party transactions were at arms-length. No bad debts were incurred and no provisions required in respect of related party transactions or balances

The business and assets of Cobell Limited were hived up into Symrise Limited on 1 December 2019. Symrise is not considered to be a related party.

20 Accounting estimates and judgements

Key sources of estimation uncertainty

The Directors believe that there are no key sources of estimation uncertainty.

Critical accounting judgements in applying the Company's accounting policies

The Directors believe there are no critical accounting judgements applied in the preparation of these financial statements.

21 Financial instruments

21 (a) Carrying amount of financial instruments measured at fair value

The carrying amounts of the financial assets and liabilities measured at fair value include:

	2020 £000	2019 £000
Assets measured at fair value through profit or loss	162	-
Liabilities measured at fair value through profit or loss	-	-
Held as part of a trading portfolio and derivatives	162	-
Other	-	-

21 (b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is estimated by taking the difference between the contractual forward price and the current forward price for the residual maturity of the contract.

21 (c) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value 2020 £000	Fair value 2019 £000
Forward Exchange Contracts	162	-

21 (d) Net debt

The below is an analysis of changes in net debt from the beginning to the end of the current reporting period:

	Borrowings due within one year £000	Borrowings due after one year £000	Subtotal £000	Cash and cash equivalents £000	Net debt £000
Net debt analysis					
Balance at 1 April 2019	-	(272)	(272)	173	(99)
Cash flows	-	26	26	845	871
Re-classification	(26)	26	-		
New Hire Purchase Agreement	(20)	(19)	(39)	-	(39)
Balance at 31 March 2020	(46)	(239)	(285)	1,018	733