

**GLOBAL GROWERS LIMITED**

**DIRECTORS' REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**GLOBAL GROWERS LIMITED**

**COMPANY INFORMATION**

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<b>DIRECTORS</b>	C J Kilvington J R Scott
<b>REGISTERED NUMBER</b>	11160799
<b>REGISTERED OFFICE</b>	70 The Strand Bromsgrove Worcestershire B61 8DQ
<b>TRADING ADDRESS</b>	Briary Barn Pury Hill Business Park Alderton Road Towcester Northamptonshire NN12 7LS
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 1-3 College Yard Worcester WR1 2LB
<b>SOLICITORS</b>	Star Legal Limited 70 The Strand Bromsgrove Worcestershire B61 8DQ

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**BUSINESS REVIEW**

Turnover has decreased by 12.7% to £122,997,007 (2020: £140,948,352), this is primarily due to a customer contract for £32m being transferred from the UK to a related Company in the Republic of Ireland which led to a 22.7% decline in turnover for the Company. This turnover would have generated an additional gross margin of £1m or 3.5% in the UK. Although the business anticipated a general decline in turnover due to changes in shopping preferences during the pandemic, measures were put in place to protect the service level so as to effectively retain the turnover levels for the remaining UK volume.

The Company continued to trade through the ongoing COVID-19 pandemic with the Directors having taken the appropriate operational changes to enable this.

Along with increased haulier costs, due to the driver shortages post Brexit, the Company was also impacted from prolonged restrictions at packhouses which led to unavoidable costs. As such, the Directors have identified £689,000 of exceptional costs. These non-recurring costs are driven by the challenging trading conditions that faced the industry during 2021. The gross margin before exceptional costs is £2,989,404 or 2.4% (2020: £3,950,645 - 2.9%).

Instability around currencies as a consequence of Brexit resulted in £238,654 of exchange losses during the year (2020: gain of £96,488). The Company will assess the requirement for forward contracts to reduce its exposure to exchange rate fluctuations in the future.

The Company reduced its overheads by 16% thereby limiting the net loss after tax of £812,610 (2020: Profit of £85,127). The resilience and dedicated workforce, along with a strong management team have enabled the Company to meet and overcome the challenges over the past 2 years whilst facilitating the customers' demands.

The Company still maintains strong cash reserves at £1,322,209 (2020: £2,033,446). This is the result of continued cash management and good relationships with customers whilst adapting to new ways of working.

The business is inherently linked to the weather and other agricultural conditions which impact the growers in its supply chain and works closely with its customers to provide quality products at a competitive price. The Directors continue to review the strategic opportunities of the business going forward.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors constantly monitor the risks and uncertainties facing the Company with particular reference to the exposure on exchange rates, liquidity, inventories and credit risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

The Company uses various financial instruments which include cash, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to manage the Company's daily operations.

The main risks arising from the Company's financial instruments are currency risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below:

**Currency Risk**

The Company imports produce in multiple currencies and so is exposed to fluctuations in foreign exchange rates during periods of instability, such as Covid and Brexit. The Company will assess the requirement for forward contracts to reduce its exposure to the exchange rate fluctuations in the future.

**Liquidity Risk**

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

**Interest Rate Risk**

The Company finances its operations through a mixture of cash, reinvestment of net income and where required funds loaned from related companies. The Company has minimal exposure to interest rate risks.

**Credit Risk**

The Company's principal financial asset is trade debtors. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk the Directors set limits for its customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the management team on a regular basis in conjunction with debt ageing and collection history.

**COVID-19 Risk**

Whilst the Company recognises that the unprecedented challenges and uncertainties of COVID-19 on the UK economy and food supply chains present an ongoing risk, the Directors believe that it has responded well in continuing to meet its customers' needs and expect volume to be consistent in the forthcoming period.

**Brexit**

Initial challenges in supply chain around labour availability for logistics solutions and vessel delays placed significant pressure on the business during the financial year. The company has strategically aligned itself with third parties that can demonstrate that they have the resources in place to mitigate this risk going forward.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Directors consider turnover, net profit and net assets to be the business's Key Performance Indicators.

**DIVIDENDS**

The results of the Company for the year ended 31 December 2021 are set out on page 9.

No dividend has been paid in the current year (2020: £NIL).

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

**C J Kilvington**

Director

Date: 28 September 2022

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Directors present their report and the financial statements for the year ended 31 December 2021.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**DIRECTORS**

The Directors who served during the year were:

C J Kilvington  
J R Scott

**FUTURE DEVELOPMENTS**

The Directors expect the general level of activity to remain constant in the coming year. The Company continues to develop its relationship with its key customers.

**MATTERS COVERED IN THE STRATEGIC REPORT**

A description of the principle risks and uncertainties has been included in the Strategic Report.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end. The impact of the COVID-19 pandemic has been detailed in the Strategic Report.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

**C J Kilvington**  
Director

Date: 28 September 2022

70 The Strand  
Bromsgrove  
Worcestershire  
B61 8DQ



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL GROWERS LIMITED

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**OPINION**

We have audited the financial statements of Global Growers Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting

Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

**OTHER INFORMATION**

The 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 Auditors' 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL GROWERS LIMITED (CONTINUED)**

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**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the 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.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and the board about their own identification and assessment of the risks of irregularities;

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL GROWERS LIMITED (CONTINUED)

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- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries, and these were identified as the greatest potential area for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the

financial statements but compliance with which may be fundamental to the company's ability to operate or to

avoid a material penalty. These included occupational health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' Report.

**USE OF OUR REPORT**

This report is made solely to the Company's shareholders 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders for our audit work, for this report, or for the opinions we have formed.

Andrew Wood FCCA (Senior statutory auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

28 September 2022

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	122,997,007	140,948,352
Cost of sales		(120,007,603)	(136,901,220)
<b>GROSS PROFIT EXCLUDING EXCEPTIONAL ITEMS</b>		<b>2,989,404</b>	4,047,132
Exceptional cost of sales	8	(689,000)	-
<b>GROSS PROFIT AFTER EXCEPTIONAL ITEMS</b>		<b>2,300,404</b>	4,047,132
Administrative expenses		(3,143,983)	(3,748,551)
<b>(LOSS)/PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	5	<b>(154,579)</b>	298,581
<b>(LOSS)/PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS</b>		<b>(843,579)</b>	298,581
Tax on (loss)/profit	7	30,969	(213,454)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(812,610)</b>	85,127
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<b>(812,610)</b>	85,127

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 14 to 21 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	<b>5,367,363</b>	2,390,665
Cash at bank and in hand	10	<b>1,322,209</b>	2,033,446
		<u><b>6,689,572</b></u>	<u>4,424,111</u>
Creditors: amounts falling due within one year	11	<b>(8,168,380)</b>	(5,090,309)
<b>NET CURRENT LIABILITIES</b>		<u><b>(1,478,808)</b></u>	<u>(666,198)</u>
<b>NET LIABILITIES</b>		<u><u><b>(1,478,808)</b></u></u>	<u><u>(666,198)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	<b>100,000</b>	100,000
Profit and loss account	15	<b>(1,578,808)</b>	(766,198)
		<u><u><b>(1,478,808)</b></u></u>	<u><u>(666,198)</u></u>

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

**C J Kilvington**  
Director

Date: 28 September 2022

The notes on pages 14 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 January 2021	100,000	(766,198)	(666,198)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Loss for the year	-	(812,610)	(812,610)
<b>AT 31 DECEMBER 2021</b>	<b>100,000</b>	<b>(1,578,808)</b>	<b>(1,478,808)</b>

The notes on pages 14 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 January 2020	100,000	(851,325)	(751,325)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			
Profit for the year	-	85,127	85,127
<b>AT 31 DECEMBER 2020</b>	<b>100,000</b>	<b>(766,198)</b>	<b>(666,198)</b>

The notes on pages 14 to 21 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit for the year	(812,610)	85,127
<b>ADJUSTMENTS FOR:</b>		
Taxation charge	(30,969)	213,454
(Increase)/decrease in debtors	(2,891,023)	3,293,877
(Decrease)/increase in creditors	(1,044)	1,893
Increase/(decrease) in amounts owed to groups	3,193,201	(4,820,286)
Corporation tax (paid)	(168,792)	(99,368)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(711,237)	(1,325,303)
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(711,237)	(1,325,303)
Cash and cash equivalents at beginning of year	2,033,446	3,358,749
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<u>1,322,209</u>	<u>2,033,446</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	1,322,209	2,033,446
	<u>1,322,209</u>	<u>2,033,446</u>

The notes on pages 14 to 21 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

Global Growers Limited is a company limited by shares incorporated in England. The registered office is 70 The Strand, Bromsgrove, Worcestershire, B61 8DQ. The principal place of trading is Briary Barn, Pury Hill Business Park, Alderton Road, Towcester, Northamptonshire, NN12 7LS.

The principal activity of the Company during the year was the sale of fresh produce within the UK and Ireland.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company's financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**2.2 GOING CONCERN**

The Directors have reviewed the going concern and are satisfied that it will continue to operate as a going concern in the foreseeable future. The Directors took into consideration the operations of the Company, the industry it is affiliated with, and the impact caused by COVID-19 and Brexit. The Company continues to maintain positive cash reserves subsequent to the year end and this has enabled it to meet its operating and other financial obligations. In addition, the Directors forecast for the upcoming year includes more than 50% of its turnover supported by long term contracts in an industry where the norm is for contracts to be set for short durations as part of a tender process.

The Company continues to focus on a growth strategy with plans to streamline the cost structure to remain competitive. This includes a review of the yield management process at third party sites.

The Directors have obtained confirmation that the other group companies that they will continue to provide ongoing financial support to the Company, and that each company has the means to do so to ensure that the Company will have sufficient working capital facilities in which to operate. On this basis, the financial statements have been prepared on the going concern basis.

**2.3 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

**2.4 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2. ACCOUNTING POLICIES (continued)**

**2.5 DEBTORS**

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

**2.6 IMPAIRMENT OF ASSETS**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**(i) Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**(ii) Financial assets**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

**2.7 CASH AND CASH EQUIVALENTS**

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

**2.8 CREDITORS**

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

**2.9 FOREIGN CURRENCY TRANSLATION**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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2. ACCOUNTING POLICIES (continued)

2.10 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company 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 Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.11 CURRENT AND DEFERRED TAXATION

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and to settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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3.

**JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

**4. TURNOVER**

Turnover is recognised when goods are received by the customer and the risks and rewards of ownership have passed to them. Turnover is measured at the fair value of consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and Value Added Tax.

There is only one class of business which is the sale of fruit.

All turnover arose within the United Kingdom and the Republic of Ireland.

**5. OPERATING (LOSS)/PROFIT**

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

	<b>2021</b>	2020
	<b>£</b>	£
Audit fees	<b>12,000</b>	11,250
Non audit fees	<b>1,200</b>	1,150
Exchange differences	<b><u>238,654</u></b>	<u>(96,488)</u>

**6. EMPLOYEES**

The Company has no employees other than the Directors, who did not receive any remuneration (2020:£NIL).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

7. TAXATION

	2021 £	2020 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	-	213,454
	-	213,454
<b>TOTAL CURRENT TAX</b>	-	213,454
<b>DEFERRED TAX</b>		
Tax losses carried forward	(30,969)	-
<b>TOTAL DEFERRED TAX</b>	(30,969)	-
<b>TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	(30,969)	213,454

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(843,579)	298,581
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020:19%)	(160,280)	56,730
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	129,311	156,724
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	(30,969)	213,454

On 3 March 2021, the Government announced that Corporation tax rates were to remain at 19% for the 2021-22 financial year.

8. EXCEPTIONAL ITEMS

	2021 £	2020 £
Brexit and COVID-19 related losses	689,000	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

9. DEBTORS

	2021 £	2020 £
Trade debtors	5,203,443	2,387,548
Other debtors	130,499	-
Prepayments and accrued income	2,452	3,117
Deferred taxation	30,969	-
	<u>5,367,363</u>	<u>2,390,665</u>

10. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	<u>1,322,209</u>	<u>2,033,446</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	1,747	2,353
Amounts owed to group undertakings	8,148,072	4,954,871
Corporation tax	-	114,086
Accruals and deferred income	18,561	18,999
	<u>8,168,380</u>	<u>5,090,309</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. FINANCIAL INSTRUMENTS**

	2021 £	2020 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	1,322,209	-
Financial assets that are debt instruments measured at amortised cost	5,203,443	5,333,942
	<u>6,525,652</u>	<u>5,333,942</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(8,168,380)</u>	<u>(4,976,223)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

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

Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed to group undertakings.

**13. DEFERRED TAXATION**

	2021 £
Charged to profit or loss	30,969
<b>AT END OF PERIOD</b>	<u>30,969</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Tax losses carried forward	<u>30,969</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

14. SHARE CAPITAL

SHARES CLASSED AS EQUITY

	2021 £	2020 £
<b>ALLOTTED, CALLED UP AND PARTLY PAID</b>		
100,000 (2020:100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

The Company has one class of share capital which carry voting rights and the right to a dividend.

15. RESERVES

Profit and loss account

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

16. RELATED PARTY TRANSACTIONS

	2021 £	2020 £
Sales to group undertakings	-	311,961
Purchases from group undertakings	120,696,603	136,901,220
Trading amounts due to group undertakings	<u>8,148,072</u>	<u>4,954,871</u>

Key Management Personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. No director received compensation directly from the Company during the year (2020: £NIL).

17. CONTROLLING PARTY

The Company's immediate parent is Global Pacific Food Group. The Company is controlled by its ultimate parent Klear Holdings Limited, a company incorporated in the Bahamas. The ultimate controlling party is C J Kilvington.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.