

GLOBAL GROWERS LIMITED

DIRECTORS' REPORT, STRATEGIC REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

GLOBAL GROWERS LIMITED

COMPANY INFORMATION

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

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

BUSINESS REVIEW

Turnover has decreased by 3.4% to £118,767,558 (2021: £122,997,007), this reflects a difficult first half of the year whilst supply chain disruptions continued due to COVID and the war in Ukraine which created delays at port. This settled down in the second half of the year and the Company's performance reflected this with a much-improved year-end position.

Subsequent to the year's end the business is trading significantly better as there has been less disruption and the supply chain has returned to near-normal conditions.

The gross margin before exceptional costs is £2,882,765 or 2.4% (2021: £2,989,404 – 2.4%). Instability around currencies as a consequence of weaker pound resulted in £9,078 of exchange losses during the year (2021: loss of £239,654). The Company continues to assess the requirement for forward contracts to reduce its exposure to exchange rate fluctuations in the future.

The Company further reduced its overheads by 15% (2021: 16%) thereby contributing to the net profit after tax of £136,643 (2021: loss of £812,610). The resilience, dedicated workforce, and strong management team have enabled the Company to continue facilitating the customers' demands.

The Company still maintains strong cash reserves at £1,326,830 (2021: £1,322,209). This is the result of continued cash management which enables the Directors to invest in key strategic areas.

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

Market risk

The company acknowledges that it operates in a competitive market and maintaining strong relationships with its key customers is important to avoid any loss in revenue. This risk is managed through excellent customer service and consistent KPI delivery.

The company's purchasing activities could expose it to overreliance on its suppliers. The company manages this risk through continuous review and growth of its supplier base to ensure continuity of goods.

The company's strategy of utilising the efficiencies of third-party partnerships could expose it to overreliance on the performance of certain providers. The strong partnership between the business and its service providers in the UK ensures that there is a well-developed understanding and clear performance monitoring required to maintain outstanding services to its customers.

Currency Risk

The Company's foreign currency exposure arises from importing produce in multiple currencies from overseas suppliers. The Company will continue to assess the requirement for forward contracts to reduce its exposure to exchange rate fluctuations in the future.

Liquidity Risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet the operating needs of the business.

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 their 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.

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 2022 are set out on page 9.

No dividend has been paid in the current year (2021: £NIL).

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

C J Kilvington

Director

Date: 24 July 2023

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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;
- 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 return to normal 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 2022**

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

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: 24 July 2023

70 The Strand
Bromsgrove
Worcestershire
B61 8DQ

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLOBAL GROWERS LIMITED

OPINION

We have audited the financial statements of Global Growers Limited (the 'Company') for the year ended 31 December 2022, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the 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 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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:

Our procedures surrounding the identification and assessment of risks of material misstatement in relation to irregularities, including fraud and non-compliance with laws and regulations, included the following:

- considering the nature of the entity and its environment, internal control environment, and business performance;
- considering the results of our enquiries of management about their own identification and assessment of the risk of irregularities;
- obtaining and reviewing, for any matters identified, the Company's documentation of their policies and procedures relating to:
 - the identification, evaluation, and compliance with laws and regulations, and whether management were aware of any instances of non-compliance within the year;
 - the detection and response to the risk of fraud, and whether management have knowledge of actual, suspected, or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- discussing amongst the audit engagement team, including internal tax specialists, regarding how and where fraud might occur in the financial statements and potential indicators of fraud. As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the completeness of revenue recognition and management override of controls. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to these identified risks.
- obtaining 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.
- considering 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 data protection regulations, health and safety regulations, and employment legislation.

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

Audit response to risks identified

We identified revenue recognition completeness and management override of controls as key audit matters related to the potential risk of fraud. 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;
- enquiring of management and those charged with governance concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of management and those charged with governance throughout the year;
- in addressing the risk of fraud through management override of controls:
 - testing the appropriateness of journal entries and other adjustments;
 - assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
 - evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

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

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

25 July 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	118,767,558	122,997,007
Cost of sales		(115,884,793)	(120,007,603)
GROSS PROFIT EXCLUDING EXCEPTIONAL ITEMS		2,882,765	2,989,404
Exceptional cost of sales		-	(689,000)
GROSS PROFIT AFTER EXCEPTIONAL ITEMS		2,882,765	2,300,404
Administrative expenses		(2,675,836)	(3,143,983)
PROFIT(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	5	206,929	(154,579)
PROFIT/(LOSS) BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		206,929	(843,579)
Tax on profit/(loss)	7	(70,286)	30,969
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		136,643	(812,610)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		136,643	(812,610)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 13 to 20 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	5,200,369	5,367,363
Cash at bank and in hand	10	1,326,830	1,322,209
		<u>6,527,199</u>	<u>6,689,572</u>
Creditors: amounts falling due within one year	11	(7,869,364)	(8,168,380)
NET CURRENT LIABILITIES		<u>(1,342,165)</u>	<u>(1,478,808)</u>
NET LIABILITIES		<u>(1,342,165)</u>	<u>(1,478,808)</u>
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	(1,442,165)	(1,578,808)
		<u>(1,342,165)</u>	<u>(1,478,808)</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: 24 July 2023

The notes on pages 13 to 20 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	100,000	(1,578,808)	(1,478,808)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	136,643	136,643
AT 31 DECEMBER 2022	100,000	(1,442,165)	(1,342,165)

The notes on pages 13 to 20 form part of these financial statements.

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

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

The notes on pages 13 to 20 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	136,643	(812,610)
ADJUSTMENTS FOR:		
Taxation charge	70,286	(30,969)
Decrease/(increase) in debtors	96,708	(2,891,023)
Increase/(decrease) in creditors	1,198	(1,044)
(Decrease)/increase in amounts owed to groups	(300,214)	3,193,201
Corporation tax received/(paid)	-	(168,792)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	4,621	(711,237)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,621	(711,237)
Cash and cash equivalents at beginning of year	1,322,209	2,033,446
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	1,326,830	1,322,209
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	1,326,830	1,322,209
	1,326,830	1,322,209

The notes on pages 13 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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 of potential supply chain disruptions. The Company continues to maintain positive cash reserves subsequent to the year end, enabling 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 standard is contracts agreed for short durations as part of a tender process.

The Company's relationship with its key customers remains very strong and the Directors look to develop the Pan-European business across various fruit categories.

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.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (continued)

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 2022

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 2022**

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.

5. OPERATING PROFIT/(LOSS)

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

	2022	2021
	£	£
Audit fees	13,400	12,000
Non audit fees	1,290	1,200
Exchange differences	<u>9,078</u>	<u>238,654</u>

6. EMPLOYEES

The Company has no employees other than the Directors, who did not receive any remuneration (2021: £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. TAXATION

	2022 £	2021 £
CORPORATION TAX		
Current tax on profits for the year	39,317	-
	<u>39,317</u>	<u>-</u>
TOTAL CURRENT TAX	<u>39,317</u>	<u>-</u>
DEFERRED TAX		
Tax losses carried forward	30,969	(30,969)
TOTAL DEFERRED TAX	<u>30,969</u>	<u>(30,969)</u>
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>70,286</u>	<u>(30,969)</u>

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%

(2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>206,929</u>	<u>(843,579)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	39,317	(160,280)
EFFECTS OF:		
Expenses not deductible for tax purposes	30,969	129,311
TOTAL TAX CHARGE FOR THE YEAR	<u>70,286</u>	<u>(30,969)</u>

8. EXCEPTIONAL ITEMS

	2022 £	2021 £
Brexit and COVID-19 related losses	<u>-</u>	<u>689,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. DEBTORS

	2022 £	2021 £
Trade debtors	4,742,817	5,203,443
Other debtors	456,078	130,499
Prepayments and accrued income	1,474	2,452
Deferred taxation	-	30,969
	<u>5,200,369</u>	<u>5,367,363</u>

10. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	1,326,830	1,322,209
	<u>1,326,830</u>	<u>1,322,209</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	95	1,747
Amounts owed to group undertakings	7,847,858	8,148,072
Accruals and deferred income	21,411	18,561
	<u>7,869,364</u>	<u>8,168,380</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL INSTRUMENTS

	2022 £	2021 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	1,326,830	1,322,209
Financial assets that are debt instruments measured at amortised cost	5,198,895	5,203,443
	<u>6,525,725</u>	<u>6,525,652</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(7,869,364)</u>	<u>(8,168,380)</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

	2022 £
At beginning of year	30,969
Charged to profit or loss	(30,969)
AT END OF YEAR	<u>-</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Tax losses carried forward	<u>-</u>	<u>30,969</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. SHARE CAPITAL

SHARES CLASSED AS EQUITY

	2022 £	2021 £
ALLOTTED, CALLED UP AND PARTLY PAID		
100,000 (2021: 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

	2022 £	2021 £
Sales to associates	-	-
Purchases from associates	118,497,109	120,696,603
Trading amounts due to associates	<u>7,847,858</u>	<u>8,148,072</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 (2021: £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.