

Fyffes Group Limited

Directors' report and financial statements

Year ended 28 December 2019

Registered number: 70123

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Fyffes Group Limited

Directors' report and financial statements

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Fyffes Group Limited

Directors and other information

Directors

T G Murphy (Irish resident)
A H Denham-Smith
R Enright (Irish resident)
J Hopkins
P Armstrong
A Joyce
J Blake

Secretary

B Breathnach

Registered office

Houndmills Road
Houndmills Industrial Estate
Basingstoke
Hampshire
RG21 6XL

Independent Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Solicitors

Osborne Clarke
2 Temple Back East
Temple Quay
BS1 6EG

Principal bankers

Barclays Bank plc
Pall Mall
London
SW1Y 5AX

Registered number

70123

Fyffes Group Limited

Strategic report

The directors present their strategic report for the year ended 28 December 2019 and this is set out below.

Principal activities

The principal activities of Fyffes Group Limited are the importation, sale and distribution of fresh tropical produce throughout the United Kingdom.

Market overview and performance

Fyffes Group Limited sources and distributes two main product categories in the UK – bananas and pineapples.

The key drivers of performance in the tropical produce operations are average selling prices, exchange rates and the cost of fruit, shipping and fuel, all of which can result in variability in year on year profitability.

The results for the year are set out on page 9.

Trading in 2019 remained challenging with continued selling price and cost price pressures.

Strategic development and outlook

The Company continues to grow steadily with new and existing customers. New products are introduced in conjunction with customer requirements and preferences. We continue to seek out further efficiencies, particularly in shipping and transportation methods and in our ripening operations.

Principal risks and uncertainties

The Company's performance is influenced primarily by normal supply and demand factors, including the impact of weather in both the producing countries and in markets in which the Company trades and by trends in consumption of fresh tropical produce.

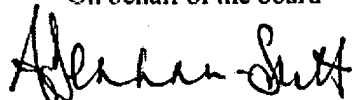
The financial risk management objectives and policies of the Company are determined in conjunction with Fyffes Limited, the Company's parent entity on a group wide basis. The exposure of the Company to price risk, credit risk, liquidity risk and cash flow risk is managed in a non-speculative manner to maximise shareholder value.

Key performance indicators which are focused on by management include:

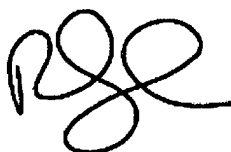
- Sales/gross profit reports analysed by division and product;
- Daily cash/bank reports;
- Monthly management accounts showing divisional trading results and overhead expenses;
- Monthly variance reports analysing sales, gross profit and expenses; and
- Weekly aged debtors reports.

Each of these indicators is monitored by management against trading budgets which are prepared periodically. The indicators are also monitored against prior periods.

On behalf of the board



A Denham-Smith
Director



R Enright
Director

7 September 2020

Fyffes Group Limited

Directors' report

The directors present their directors' report and audited financial statements for the year ended 28 December 2019.

Balance sheet and reserves

Shareholders' funds amounted to £6,353,000 at 28 December 2019 (2018: deficit of £4,987,000).

Results and dividends

The profit on ordinary activities for the financial year, after taxation, amounted to £9,839,000 (2018: loss of £2,049,000). No dividends were paid during the financial year (2018: £Nil).

Directors, secretary and their interests

The directors and secretary who served during the year and at the date of approval of the financial statements are:

T G Murphy (Irish resident)
A H Denham-Smith
R Enright (Irish resident)
J Hopkins
P Armstrong
A Joyce
J Blake
B Breathnach (Secretary)

There are no directors' or secretary's interests requiring disclosure under the Companies Act, 2006

Political and charitable donations

During the financial year, the Company made various charitable contributions totalling £37,419 (2018: £32,224).

The Company made no political donations during the current or preceding financial year.

Research and development

The Company did not engage in any research and development during the current period.

Creditors' payment policy

The Company's current policy concerning the payment of its creditors is to:

- i. settle the terms of payments with suppliers when agreeing the terms of each transaction;
- ii. ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- iii. pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments for revenue and capital items without exception. At year end there were 5.85 days (2018: 5.05 days) purchases in trade creditors.

Fyffes Group Limited

Directors' report

Employment of disabled persons

All applications for employment from disabled persons are given full and fair consideration, due regard being given to the aptitude and ability of the individual and the requirements of the position concerned. Disabled persons are treated on equal terms with other employees as regards training, career development and promotion. In the event of an existing employee becoming disabled, every effort is made to ensure continuity of employment and that appropriate training is given where necessary.

Employee involvement

During the financial year, the policy of providing employees with information about the Company has been continued through the Fyffes Limited website.

Post balance sheets events

The Company is attempting to assess the impact of the emerging COVID-19 pandemic on its business globally. There is no impact on the recognition or measurement of the Company's assets and liabilities as at 28 December 2019. Currently there is a significant increase in economic uncertainty and more volatility in exchange rates, fuel costs and other asset prices. The Company cannot as yet reasonably estimate the impact of these factors on its results, cashflows or financial position. However, the Company does have considerable financial resources available to it, including the support of its parent company Sumitomo Corporation, and the Board therefore believes the Company is well placed to manage this evolving situation.

Relevant audit information

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

Going concern

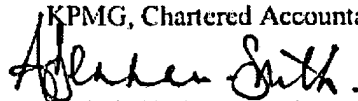
The Group has considerable financial resources available to it, including undrawn committed borrowing facilities and the support of Sumitomo Corporation, its ultimate parent Company. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future, including through the current uncertainty regarding the COVID19 pandemic. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Other information

An indication of likely future developments in the business and particular significant events which occurred since the end of the financial year have been included in the Strategic Report on page 2.

Independent Auditor

Pursuant to Section 487 of the Companies Act, 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will continue in office.


On behalf of the board
A Denham-Smith
Director


R Enright
Director

7 September 2020

Fyffes Group Limited

Statement of directors' responsibilities in respect of the strategic report, 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.

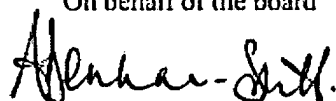
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and *FRS 101 Reduced Disclosure Framework*.

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 year. 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 controls 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.

On behalf of the board



A Denham-Smith
Director



R Enright
Director



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Fyffes Group Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fyffes Group Limited ('the Company') for the year ended 28 December 2019 set out on pages 9 to 32, which comprise the Statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity, and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the Company's affairs as at 28 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on 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 twelve months from the date of approval of the financial statements. 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.



Independent auditor's report to the members of Fyffes Group Limited (continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report 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 on these matters.



Independent auditor's report to the members of Fyffes Group Limited (continued)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; and 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; 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; or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A 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

Our 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.

Tom McEvoy (Senior Statutory Auditor)

11 September 2020

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St Stephen's Green

Dublin 2

Fyffes Group Limited

Statement of Profit and loss and other comprehensive income for the year ended 28 December 2019

	Notes	2019 £'000	2018 £'000
Turnover	2	235,344	283,996
Cost of sales		(217,445)	(269,111)
Gross profit		17,899	14,885
Distribution and selling expenses		(13,309)	(13,106)
Administrative expenses		(3,675)	(3,537)
Other operating income	3	507	578
		(16,419)	(16,065)
Operating profit/(loss)		1,422	(1,180)
Dividend received from subsidiaries	6	11,014	-
Exceptional items	7	-	198
Profit/(loss) on ordinary activities before interest		12,436	(982)
Interest payable and similar charges	4	(1,256)	(969)
		(1,256)	(969)
Profit/(loss) on ordinary activities before taxation	5	11,180	(1,951)
Taxation	9	(1,341)	(98)
Profit/(Loss) on ordinary activities after taxation		9,839	(2,049)
Other comprehensive income			
Remeasurement of the net defined benefit liability (asset)		2,523	3,511
Tax charge on remeasurement of net defined benefit liability		(453)	(631)
Currency reserve movement		-	(266)
Other comprehensive income for the year		2,070	2,614
Total comprehensive income for the year		11,909	565

Fyffes Group Limited

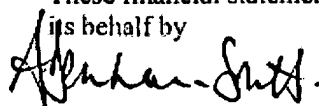
Balance sheet

as at 28 December 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	10	15,708	11,726
Right of use asset	11	6,427	-
Investment property	12	961	-
		<u>23,096</u>	<u>11,726</u>
Financial assets			
Investments in subsidiary undertakings	13	4,588	4,588
Other investments	14	4,419	4,419
		<u>9,007</u>	<u>9,007</u>
		<u>32,103</u>	<u>20,733</u>
Current assets			
Stocks	15	5,962	9,257
Debtors	16	47,745	48,758
Cash at bank and in hand		3	603
		<u>53,710</u>	<u>58,618</u>
Creditors: amounts falling due within one year	17	<u>(54,850)</u>	<u>(65,058)</u>
Net current liabilities		<u>(1,140)</u>	<u>(6,440)</u>
Total assets less current liabilities		<u>30,963</u>	<u>14,293</u>
Creditors: amounts falling due after more than one year	18,19	<u>(8,536)</u>	<u>(209)</u>
Net assets before post employment liabilities		<u>22,427</u>	<u>14,084</u>
Post employment liabilities	24	<u>(16,074)</u>	<u>(19,071)</u>
Net assets/(liabilities)		<u>6,353</u>	<u>(4,987)</u>
Capital and reserves			
Called up share capital	20	1,400	1,400
Share premium account	21	400	400
Currency reserve		(102)	(102)
Profit and loss account		<u>4,655</u>	<u>(6,685)</u>
Shareholders' funds/ (deficit)		<u>6,353</u>	<u>(4,987)</u>

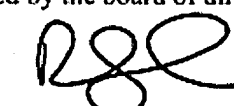
The notes on pages 12 to 31 form part of these financial statements.

These financial statements were approved by the board of directors on 7 September 2020 and were signed on its behalf by



A Denham-Smith
Director

Registered number: 70123



R Enright
Director

Fyffes Group Limited
Statement of changes in equity
for the year ended 28 December 2019

	Called up share capital £'000	Share premium £'000	Currency reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2018	1,400	400	164	(7,516)	(5,552)
Comprehensive income for the year	-	-	(266)	831	565
Total comprehensive income for the year	1,400	400	(102)	(6,685)	(4,987)
At 31 December 2018	1,400	400	(102)	(6,685)	(4,987)
IFRS16 Opening balance adjustment	-	-	-	(569)	(569)
Comprehensive income for the year	-	-	-	11,909	11,909
Total comprehensive income for the year	1,400	400	(102)	4,655	6,353
Balance at 28 December 2019	1,400	400	(102)	4,655	6,353

Fyffes Group Limited

Notes

1. Accounting policies

Fyffes Group Limited (the "Company") is a private limited company incorporated, registered and domiciled in the UK. The Company's registered number is 70123 and the registered office is Houndmills Road, Houndmills Industrial Estate, Basingstoke, Hampshire, RG21 6XL.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRSs"), but makes amendments where necessary in order to comply with the Companies Act, 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted certain disclosure exemptions available under FRS 101. These include:

- a Cash Flow Statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- an additional balance sheet for the beginning of the earliest comparative period following transition.

As the ultimate parent company's consolidated financial statements of 28 December 2019 include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and
- Certain disclosures required by IAS 36 *Impairment of Assets*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements at 28 December 2019.

Measurement convention

The financial statements are prepared on the historical cost basis.

Functional currency

These financial statements are presented in sterling, being the functional currency of the Company. All financial information presented in sterling has been rounded to the nearest thousand except where otherwise state.

Fyffes Group Limited

Notes (continued)

1. Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, including bank deposits of less than three months maturity. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Going concern

At 28 December 2019, the Company had an excess of assets over liabilities. The directors are satisfied that the Company should have adequate resources to continue in operational existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover comprises the fair value of the sale of goods, excluding value added tax, delivered to or collected by customers during the accounting period, net of any returns, discounts or rebates. Turnover from the sale of goods is recognised when control of the goods are transferred to the buyer.

Financial fixed assets

Investments in subsidiary and associated undertakings and other investments are stated at cost, less provision for any permanent impairment in value. Dividend income is recognised when the right to receive payment is established.

Trade and other receivables

Trade and other receivables are initially measured at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment of trade receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables using the effective credit loss method in accordance with IFRS 9.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Fyffes Group Limited

Notes (continued)

1. Accounting policies (continued)

Tax

The income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity, in which case it is recognised in Other Comprehensive Income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Leased assets

The Company adopted IFRS16: Leases on 1 January 2019. Fyffes Group Limited has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated, but is presented, as previously reported, under IAS 17. Under IFRS16, at inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As lessee:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are outstanding at the commencement date, discounted using the interest rate implicit in the

Fyffes Group Limited

Notes (continued)

1. Accounting policies (continued)

lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As lessor:

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of other operating income.

Policy prior to 2019

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership (finance leases) to the Company are included in the balance sheet as property, plant and equipment at cost less accumulated depreciation and the capital element of future rentals is treated as a liability. The interest element is charged to the income statement over the period of the finance lease, in proportion to the balance of capital repayments outstanding. Rental costs in respect of all other leases are charged to the income statement as incurred.

Tangible fixed asset and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost or valuation of tangible fixed assets, other than freehold land which is not depreciated, on a straight line basis, by reference to the following estimated useful lives:

- | | |
|------------------------|---|
| • Freehold properties | 40 years |
| • Leasehold properties | over the lesser of 40 years or the unexpired portion of the lease |
| • Plant and equipment | 3-10 years |
| • Leased plant | over the unexpired portion of the lease |
| • Motor vehicles | 4 years |

Gains and losses on disposal of tangible fixed assets are recognised on the ultimate completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the net book value and are included in operating profit.

Fyffes Group Limited

Notes (continued)

1. Accounting policies (continued)

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

In applying the fair value model in IAS 40 Investment Property:

- i. Investment properties are held at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss in the period that they arise; and
- ii. No depreciation is provided in respect of investment properties applying the fair value model.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions.

Interest income and interest payable are recognised in profit or loss as it accrues, using the effective interest method.

Dividends Received

Dividend income is recognised in the profit and loss account on the date of the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Employee benefits

Defined contribution plans

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit plans

The Company also operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. For quoted securities, the current bid price is taken as market value. Pension scheme liabilities are measured using a projected until method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and in the statement of comprehensive income. On 31 March 2016 this scheme was closed to future accrual.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of stocks is based on the first-in, first-out principle and includes expenditure incurred in acquiring the stocks and bringing them to their existing location and condition.

Fyffes Group Limited

Notes (continued)

1. Accounting policies (continued)

Non-derivative financial instruments

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial instruments (continued)

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

2. Segmental information

An analysis of turnover, results and net assets by geographical area and business activity is not provided as, in the opinion of the directors, the disclosure of such information would be prejudicial to the interests of the Company.

3. Other operating expense/income (net)

	2019 £'000	2018 £'000
Management fee Income	400	525
Foreign currency (gain)/loss	(38)	53
Other income	110	-
Net Gain on disposal of tangible fixed assets	35	-
	<hr/> 507	<hr/> 578

Fyffes Group Limited

Notes (continued)

4. Interest payable and similar changes

	2019 £'000	2018 £'000
Bank loans and overdrafts wholly repayable within 5 years	-	7
Interest expense on defined benefit obligation	526	685
Lease interest	467	-
Other interest payable	263	277
	1,256	969

5. Profit/(loss) on ordinary activities before taxation

	2019 £'000	2018 £'000
--	---------------	---------------

This is stated after charging:

(a) Auditor's remuneration:

- Audit services	65	46
Depreciation of tangible fixed assets	2,577	1,617
Operating lease rentals		
- Plant and machinery	-	55
- Other	-	1,471

(b) Directors' remuneration:

Salaries and other emoluments (including pension contributions)	821	819
---	-----	-----

6. Dividend received from subsidiaries

	2019 £	2018 £
Bristol Fruit Sales (Bananas) Limited	7,500	-
Fyffes Distribution Services Limited	2,476	-
Maskalina Limited	1,038	-
	11,014	-

During the year the Company received dividend from its subsidiaries.

7. Exceptional items

	2019 £	2018 £
MNRPF Pension	-	198
	-	198

MNRPF Pension liability based on the 2017 valuation was overprovided in the 2017 figures. The liability has been agreed and an over accrual was released in prior year.

Fyffes Group Limited

Notes (continued)

8. Staff costs

	2019 £'000	2018 £'000
Wages and salaries	11,361	11,909
Social security costs	986	1,004
Other pension costs	783	808
	<hr/>	<hr/>
Charged to the profit and loss	13,130	13,721

The average weekly number of employees during the year was made up as follows:

	2019 Number	2018 Number
Production	212	224
Sales and distribution	188	198
Administration	76	73
	<hr/>	<hr/>
	476	495

9. Taxation

	2019 £'000	2018 £'000
Recognised in the profit and loss account		
<i>UK Corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax (see Note 16)</i>		
Origination and reversal of temporary differences	1,272	41
	<hr/>	<hr/>
Other adjustments	1,272	41
	69	57
	<hr/>	<hr/>
Total deferred tax	1,341	98
	<hr/>	<hr/>
Total tax charge	1,341	98

Fyffes Group Limited

Notes (continued)

9. Taxation (continued)

	2019 £'000	2018 £'000
Current tax recognised directly in equity	-	-
Deferred tax recognised directly in equity	453	631
Total tax recognised directly in equity	453	631
Profit/(loss) for the year	9,839	(2,049)
Total tax charge/ (credit)	1,341	98
Profit/(loss) excluding taxation	11,180	(1,951)
Tax using the corporation tax rate of 19 % (2018: 19%)	2,124	(371)
Group relief surrendered	164	415
Non-deductible expenses	67	63
Other timing differences	69	(160)
Income not taxable	(2,114)	-
Deferred tax not recognised	1,306	151
Other	(275)	-
Total tax credit	1,341	98

10. Tangible fixed assets

	Freehold and leasehold properties £'000	Plant and equipment £'000	Motor vehicles £'000	Assets under construction	Total £'000
Cost or valuation					
At beginning of financial year	6,655	19,960	1,628	3,918	32,161
Additions	-	1,217	808	-	2,025
Transfer from subsidiaries	2,934	69	390	-	3,393
Transfer	-	3,918	-	(3,918)	-
Disposals	-	(2,056)	(194)	-	(2,250)
At year end	9,589	23,108	2,632	-	35,329
Depreciation					
At beginning of financial year	824	18,382	1,229	-	20,435
Charged during financial year	82	1,123	216	-	1,421
Arising on disposals	-	(2,042)	(193)	-	(2,235)
At end of financial year	906	17,463	1,252	-	19,621
Net book value					
At end of financial year	8,683	5,645	1,380	-	15,708
At beginning of financial year	5,831	1,578	399	3,918	11,726

Fyffes Group Limited

Notes (continued)

10. Tangible fixed assets (continued)

There are no assets held under finance leases included in the above total net book value.

The gross book value of freehold and leasehold properties amounted to £3,215,148 (2018: £3,215,148).

11. Right of use asset

The Company adopted IFRS16: *Leases* on 1 January 2019. Under this new accounting standard, many lease arrangements previously treated as operating leases as they did not transfer substantially all the risks and rewards of ownership, are now recognised on the balance sheet as a right of use asset with the corresponding lease obligations recognised as a liability. Fyffes Group Limited has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated, but is presented, as previously reported, under IAS 17. On initial application of IFRS16, the lease liabilities were measured at present value of the remaining lease payments, discounted at the Company's incremental borrowing rate which ranged from 2.3% to 8.5%. The right-of-use assets were measured as if IFRS16 had been applied since the commencement of the leases, discounted at the Company's incremental borrowing rate, or at an amount equal to the related lease liability in the case of some lower value leases. Fyffes Group Limited has not applied IFRS16 where on initial application there were less than 12 months remaining on the lease term or in the case of low value assets.

	Land and Buildings £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
On initial application of IFRS16	11,026	-	163	11,189
Balance at 28 December 2019	11,026	-	163	11,189
Depreciation and impairment losses				
On initial application of IFRS16	3,534	-	72	3,606
Depreciation charge for the year	1,102	-	54	1,156
Balance at 28 December 2019	4,636	-	126	4,762
Carrying amount				
At 28 December 2019	6,390	-	37	6,427

Fyffes Group Limited

Notes (continued)

11. Right of use asset (continued)

The impact on transition, was as follows:

	£'000
ROU assets – land & buildings and motor vehicles	7,583
lease liabilities (see below)	(8,267)
Accruals and prepayments	<u>115</u>
Retained earnings	<u>569</u>

The following table shows the reconciliation of the lease commitments previously disclosed under IAS17 at 31 December 2018 (note 23) and the lease liabilities recognised in the Group's balance sheet on 1 January 2019, on the initial application of IFRS16:

	£'000
Operating lease commitments at 31 December 2018	3,460
Additional leases identified under IFRS16	6,635
Impact of discounting	<u>(1,828)</u>
Lease liabilities recognised on 1 January 2019	<u>8,267</u>

12. Investment property

	2019 £'000	2018 £'000
Long term leasehold investment property		
Intercompany transfer	961	-
At end of financial year	<u>961</u>	<u>-</u>

On 28 December 2019 the property U3 Avonside Road, Avonside Industrial Estate, Bristol was transferred from Bristol Fruit Sales (Bananas) Limited to Fyffes Group Limited.

13. Investments in subsidiary undertakings

	2019 £'000	2018 £'000
Cost		
At beginning and end of financial year	10,386	10,386
Provision for impairment		
At beginning and end of financial year	<u>(5,798)</u>	<u>(5,798)</u>
Net book value		
At beginning and end of financial year	<u>4,588</u>	<u>4,588</u>

At 28 December 2019, investments in principal subsidiary undertakings reflect the following:

Fyffes Group Limited

Notes (continued)

13. Investments in subsidiary undertakings (continued)

Incorporated in the United Kingdom

<i>Name</i>	<i>Ordinary shares</i>	<i>Nature of business</i>	<i>% owned directly</i>
James Lindsay & Son plc	1,836,419 of 25p each	Dormant company	100%

In the opinion of the directors, the value of the investments in subsidiary undertakings is not less than their carrying value. James Lindsay & Son plc registered office is Royston Road, Dean Industrial Estate, Livingston, West Lothian, EH54 8AH.

14 Other investments

	2019 £'000	2018 £'000
<i>Cost</i>		
At beginning and end of financial year	15,003	15,003
<i>Provision for impairment</i>		
At beginning of financial year	(10,584)	(10,584)
Impairment charge recognised in the year	-	-
At end of financial year	(10,584)	(10,584)
<i>Net book value</i>		
At beginning and end of financial year	4,419	4,419
Investments in associated undertakings	4,416	4,416
Trade investments at cost	2	2
Quoted investments at cost	1	1
	4,419	4,419

At 28 December 2019, investments in associated undertakings reflect the following:

Incorporated in the United Kingdom

<i>Name</i>	<i>Ordinary shares</i>	<i>Nature of business</i>	<i>% owned directly</i>
Geest Line Limited	250,000 ordinary shares of £1 each	Shipping Company	50%

In the opinion of the directors, the value of the investments is not less than their carrying value. Geest Line Limited registered office is Eaglepoint Little Park Farm Road, Segensworth, Fareham, Hampshire, PO15 5TD.

As at 28 December 2019 there were no amounts due to or receivable from Geest Line Limited.

Fyffes Group Limited

Notes (continued)

15. Stocks

	2019 £'000	2018 £'000
Raw materials and consumables	398	443
Fresh fruit	5,564	8,814
	<u>5,962</u>	<u>9,257</u>

The replacement cost of stocks at the balance sheet date is not materially different from that shown above.

Stocks are stated net of a provision for obsolescence of £15,687 (2018: £15,687). Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £217,455,000 (2018: £269,111,238).

16 Debtors

	2019 £'000	2018 £'000
Trade debtors	17,142	13,003
Other debtors	3,919	3,992
Amounts due from other Group undertakings	22,152	26,795
Prepayments	413	338
Deferred tax asset (see below)	4,119	4,630
	<u>47,745</u>	<u>48,758</u>

	2019 £'000	2018 £'000
Deferred tax asset	4,119	4,630
Deferred tax liability (note 17)	(1,093)	-
	<u>3,026</u>	<u>4,630</u>

	2019 £'000	2018 £'000
<i>Deferred taxation</i>		
At beginning of financial year	4,630	5,359
Credited/(charged) during the financial year (note 9)	(1,256)	(41)
Employee benefits	(539)	(688)
Other movements	191	-
	<u>3,026</u>	<u>4,630</u>

Net asset at end of financial year

Fyffes Group Limited

Notes (continued)

16 Debtors (continued)

Deferred taxation represents provision for timing differences as follows:

	2019 £'000	2018 £'000
Depreciation in excess of capital allowances	-	415
Origination/reversal of timing differences	132	782
Employee benefits	2,894	3,433
	<u>3,026</u>	<u>4,630</u>

Deferred tax asset

In addition to the deferred tax asset shown above, a deferred tax asset also arises in relation to the post employment liabilities in the balance sheet and is netted against the liability to which it relates (note 24).

The main rate of UK corporation tax was reduced to 19% with effect from 1 April 2017 and as announced in the Budget 2020 will remain at 19% for both 1 April 2020 and 1 April 2021.

17. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Bank overdraft	583	-
Trade creditors	1,729	3,723
Other taxes and social security costs	1,496	1,056
Accruals	4,980	6,691
Amounts due to other group companies	43,941	53,588
Deferred tax liability	1,093	-
Lease liability	1,028	-
	<u>54,850</u>	<u>65,058</u>

Amounts due to other group companies are unsecured, interest free and repayable on demand.

Fyffes Group Limited

Notes (continued)

18. Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Amounts due to other group companies	2,437	-
Lease liability	6,099	-
Provisions for liabilities (Note 19)	-	209
	8,536	209

Amounts not wholly payable within 5 years

Amounts owed to group undertakings represent a loan taken out by Bristol Fruit Sales (Bananas) Limited from one of the group entities on 17 September 2014. The loan is unsecured, wholly repayable on 17 September 2024 and attracts an interest rate of LIBOR + 2.1608% margin per annum.

On 28th December 2019, the loan was assigned to Fyffes Group Limited.

19. Provisions for liabilities

Merchant Navy Ratings Pension Fund

	2019 £'000	2018 £'000
Balance at beginning of year	209	805
Charge recognised / (released) in year (note 7)	-	(198)
Discounting	-	-
Payments	(209)	(398)
	-	209
Included with creditors due within one year	-	-
At end of financial year	-	209

Merchant Navy Ratings Pension Fund

The Company paid £3,369,000 to the Trustees of the Merchant Navy Ratings Pension Fund (MNRPF) during 2016 in full payment of its share of the deficit in that scheme. The Company has recognised a charge of £805,000 in 2017 as its share of the 2017 estimated valuation. The Company agreed to pay £606,435 in 2018 and 2019 as its share of the 2017 valuation and release an overprovision.

20. Share capital

	2019 £'000	2018 £'000
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	1,000	1,000
"A" ordinary shares of £1 each	400	400
	1,400	1,400

The "A" ordinary share are non-voting and have the right to be redeemed at par on a winding up. The "A" ordinary shares have a right to any dividends that may be recommended by the directors, but such dividends may not exceed £42.5 million.

Fyffes Group Limited

Notes (continued)

21. Share premium account

	2019 £'000	2018 £'000
Premium on issue of "A" ordinary shares	400	400

22. Commitments and contingencies

(a) Capital commitments

	2019 £'000	2018 £'000
Contracted but not provided for in the financial statements	-	-
Authorised by the directors but not contracted	-	-

(b) Contingent liabilities

There were no outstanding bonds, guarantees and indemnities as at 28 December 2019 (2018: £Nil).

(c) Contingencies

From time to time, The Company is involved in other claims and legal actions which arise in the normal course of business. Based on information currently available to the Company, and legal advice, the directors believe such litigation will not, individually or in aggregate, have a material adverse effect on the financial statements and that the Company is adequately positioned to deal with the outcome of any such litigation.

(d) Financial support

The Company has agreed to provide financial support for a period of one year from the date of the approval of the financial statements to certain subsidiary undertakings.

23. Operating leases

The Company adopted IFRS16: *Leases* on 1 January 2019. Any lease arrangements which do not satisfy the criteria to be accounted for under IFRS16, as set out in the Company's accounting policy, such as where the lease period is less than 12 months, or the leases are individually immaterial, are not recognised as an asset and a liability in the balance sheet. The obligations for future lease payments under such leases are set out below.

Non-cancellable operating lease rentals are payable as follows:

	2019 £'000	2018 £'000
Less than one year	-	1,471
Between one and five years	-	5,833
More than five years	-	3,187
	-	10,491

The Company leases a number of warehouse and factory facilities under operating leases.

During the year £ Nil was recognised as an expense in the profit and loss account in respect of operating leases (2018: £1,483,838).

Fyffes Group Limited

Notes (continued)

24. Pension information

Defined benefit pension scheme

A full actuarial valuation was carried out on the scheme at 31 October 2018. The latest valuation is still ongoing. The result of this review was a deficit of £22.1 million. The Company agreed a revised recovery plan with the trustees of the scheme involving eighteen annual payments of £1 million commencing in January 2016, supported by a guarantee from Fyffes Limited, its parent undertaking.

The scheme was closed to future accrual on 31 March 2016.

The major assumptions used to calculate the retirement benefit liabilities under FRS 17 were as follows:

Valuation method	2019 Projected Unit %	2018 Projected Unit %	2017 Projected Unit %
Discount rate	2.00	2.90	2.50
Inflation rate – RPI	2.70	3.20	3.20
Inflation rate – CPI	2.00	3.20	2.20
Increase to pension in payment (pre April 2005)	2.70	3.20	3.20
Increase to pension in payment (post April 2005)	2.50	2.50	2.50
Salary increases	N/A	N/A	N/A

In valuing the liabilities of the pension fund at 28 December 2019, certain mortality assumptions have been made. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pension aged 65: 87 years (male) / 90 years (female)
- Current pension aged 40: 88 years (male) / 91 years (female)

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

	2019 £'000	2018 £'000
Equities	23,620	24,249
Bonds	70,256	61,923
Property	4,069	3,857
Other	19,716	18,137
Total market value of pension scheme assets	117,661	108,166
Present value of funded defined benefit obligations	(133,735)	(127,237)
Deficit	(16,074)	(19,071)
Related deferred tax asset	2,894	3,433
Net liability recognised on the balance sheet	(13,180)	(15,638)

Fyffes Group Limited

Notes (continued)

24. Pension information (continued)

Fyffes Group Limited employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The interest income on scheme assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 28 December 2019.

Analysis of amount charged to operating profit:

	2019 £'000	2018 £'000
Current service costs – total scheme	-	136
Less: contributions received from other pension scheme members	-	-
Total operating charge	-	136

Analysis of the amount credited/(charged) to other finance income and expense:

	2019 £'000	2018 £'000
Past Service Costs	-	(136)
Interest income on scheme assets	3,093	2,840
Interest expense on defined benefit obligations	(3,619)	(3,389)
Net charge	(526)	(685)

The (expense)/income is recognised in the following line items in the profit and loss account:

	2019 £'000	2018 £'000
Administrative expenses	-	(136)
Interest payable and similar charges	(526)	(549)
	(526)	(685)

Analysis of the amount recognised in the statement of comprehensive income:

	2019 £'000	2018 £'000
Remeasurement gains/(losses) on scheme assets	10,281	(5,647)
Actuarial gains/losses due to changes demographic assumptions	4,819	-
Actuarial gains/(losses) on scheme liabilities arising from changes in financial assumptions	(12,577)	9,158
Actuarial gain recognised in statement of comprehensive income	2,523	3,511

Fyffes Group Limited

Notes (continued)

24. Pension information (continued)

Movement in fair value of plan assets:

	2019 £'000	2018 £'000
At the beginning of the financial year	108,166	115,362
Interest receivable	3,093	2,840
Remeasurement (losses)/gains on scheme assets	10,281	(5,647)
Contributions by the employer	1,000	1,000
Net benefits paid out	(4,879)	(5,389)
At end of the financial year	117,661	108,166

Movement in present value of defined benefit obligation:

	2019 £'000	2018 £'000
At the beginning of the financial year	127,237	138,259
Past service costs	-	136
Interest expense on defined benefit obligation	3,619	3,389
Actuarial (gain)/losses on scheme liabilities	7,758	(9,158)
Net benefits paid out	(4,879)	(5,389)
At end of the financial year	133,735	127,237

History of actuarial gains and losses

	2019 £'000	2018 £'000	2017 £'000
Remeasurement (losses)/gains on scheme assets	10,281	5,647	4,305
<i>Expressed as a percentage of scheme assets</i>	8.7%	5.2%	3.7%
Actuarial gains and losses on scheme liabilities arising from experience	-	-	-
<i>Expressed as a percentage of scheme liabilities</i>	-%	-%	-%
Total actuarial gains and losses recognised in statement of comprehensive income	2,523	3,511	511
<i>Expressed as a percentage of scheme liabilities</i>	2.8%	2.8%	0.4%

History of plans

The history of the plans for the current and prior years are as follows:

Balance sheet

	2019 £'000	2018 £'000	2017 £'000
Present value of scheme liabilities	(133,735)	(127,237)	(138,259)
Fair value of scheme assets	117,661	108,166	115,362
Deficit	(16,074)	(19,071)	(22,897)

Fyffes Group Limited

Notes (continued)

24. Pension information (continued)

Defined contribution pension scheme

Pensions are funded through an external pension scheme. The scheme is vested in independent trustees nominated by the Company for the sole benefit of the employees and their dependants. The total charge in the year relating to the defined contribution section of the scheme was £452,253 (2018: £457,429). The amount included in other creditors in respect of this scheme at year end was £37,492 (2018: £36,766).

25. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of Fyffes Group Limited is Sumitomo Corporation (Japanese listed company). The largest group into which the financial statements of Fyffes Group Limited are consolidated is that headed by Sumitomo Corporation. The smallest group into which the financial statements of Fyffes Group Limited are consolidated is Fyffes Limited. The financial statements of Fyffes Limited are available from the Irish Company Registration Office.

26. Related party transactions

Transactions with Group undertakings

In relation to transactions with Group undertakings where there is a direct or indirect relationship (equity or control) of 100%, the Company has availed of the exemption available under FRS 101 from disclosing transactions with Group undertakings as consolidated financial statements are prepared by Fyffes Limited which include this company.

Transactions with associated undertakings

The Company trades in the normal course of its business with subsidiary and associated undertakings.

The Company had the following balances due from/(to) related parties at the financial year end:

	2019 £'000	2018 £'000
International Fruchtimport Gesellschaft Weichert & Co KG	-	6

27. Post balance sheet events

The Company is attempting to assess the impact of the emerging COVID-19 pandemic on its business globally. There is no impact on the recognition or measurement of the Company's assets and liabilities as at 28 December 2019. Currently there is a significant increase in economic uncertainty and more volatility in exchange rates, fuel costs and other asset prices. The Company cannot as yet reasonably estimate the impact of these factors on its results, cashflows or financial position. However, the Company does have considerable financial resources available to it, including the support of its parent company Sumitomo Corporation, and the Board therefore believes the Company is well placed to manage this evolving situation. Consequently, there is no impact on the recognition and measurement of assets and liabilities. There have been no other material events subsequent to the year-end which require disclosure in, or adjustment to, the financial statements.

28. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including

Fyffes Group Limited

Notes (continued)

28. Use of estimates and judgements (continued)

expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.