

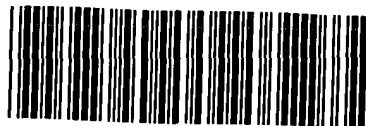
# **Fyffes Group Limited**

## **Directors' report and financial statements**

**15 Month period ended 31 March 2023**

*Registered number: 70123*

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# Fyffes Group Limited

## Directors' report and financial statements

### Contents

	<b>Page</b>
Directors and other information	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements	9
Independent auditor's report to the members of Fyffes Group Limited	10
Profit and loss account and other comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Notes forming part of the financial statements	18

# Fyffes Group Limited

## Directors and other information

### **Directors**

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

### **Solicitor**

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 15 Month Period ended 31 March 2023 and this is set out below.

### Principal activities

The principal activities of Fyffes Group Limited (the 'Company') 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.

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.

Trading in 2023 remained challenging with continued selling price and cost price pressures.

## Page | 5. 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,

is adversely impacted by the Ukraine war and the cost of living crisis.

### Principal risks and uncertainties

The UK left the European Union ('EU') on 31 January 2020. A transitional period, during which the UK is no longer a member of the EU but is still subject to EU rules and remains a member of the Customs Union, concluded on 31 December 2020. The Company conducted a risk assessment and as a result put in place measures to mitigate the risks. The Board continues to monitor Brexit and regularly considers the long term implications of decisions around how to navigate Brexit.

with continued selling price and cost price pressures.

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 the Group's overall business strategy. The Group's financial risk management is based on the Group's capital structure, price risk, credit risk, liquidity risk and cash flow risk is managed in a non-speculative manner to maximise

ly with new and existing customers. New products are introduced in conjunction with customer requirements and preferences. We continue to seek out further efficiencies.

ion methods and in our ripening operations.

on 31 January 2020. A transitional period, during which the UK is still subject to EU rules and remains a member of the Customs Union, The Company conducted a risk assessment and as a result put in place

# Fyffes Group Limited

## Strategic report *(continued)*

### Principal risks and uncertainties *(continued)*

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

  
John Hopkins  
Director

  
Andrew Joyce  
Director

18 December 2023

# Fyffes Group Limited

## Directors' report

The directors present their directors' report and audited financial statements for the 15 Month Period ended 31 March 2023.

### Balance sheet and reserves

Shareholders' funds amounted to surplus £ 20,747,000 at 31 March 2023 (2021: shareholder funds of £5,259,000).

### Results and dividends

The profit for the financial period, after taxation, amounted to £1,566,000 (year ended 25 December 2021: Profit of £5,963,000). No dividends were paid during the financial period (year ended 25 December 2021: £Nil).

### Directors, secretary and their interests

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

A H Denham-Smith (Resigned 26 September 2022)  
R Enright (Irish resident) (Resigned 29 August 2022)  
J Hopkins (Resigned 1 January 2022) (Appointed 1 November 2022)  
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 contributions

During the financial period, the Company made various charitable contributions totalling £12,078 (year ended 25 December 2021: £26,548).

The Company made no political contributions during the current or preceding financial period.

### Research and development

The Company did not engage in any research and development during the current period (year ended 25 December 2021: £Nil).

# Fyffes Group Limited

## Directors' report *(continued)*

### Streamlined Energy and Carbon Reporting (SECR)

UK Greenhouse gas emissions and energy use data for the 15- month period to 31 March 2023– UK Operations only.

	Period ended 31 March 2023	Year ended 25 December 2021
<b>UK Energy consumption (MWh)</b>	<b>29,591</b>	<b>24,416</b>
Gas	1,751	1,517
Electricity	11,996	10,310
Transport	15,846	12,634
<b>UK greenhouse gas emissions (tCO<sub>2</sub>e):</b>	<b><u>6,206</u></b>	<b><u>5,142</u></b>
Scope 1:		
Gas combustion	359	309
Owned transport	3,132	2,614
Site operations	327	14
Scope 2:		
Electricity – location based	2,353	2,189
Scope 3:		
Business travel in rental or employee owned vehicles	35	15
<b>Intensity ratio (tCO<sub>2</sub>e per £million turnover):</b>	<b>16.19</b>	<b>19.22</b>

In July 2021 Fyffes Limited published its first Group Sustainability report in which we have committed to reduce our carbon emissions to achieve the Science-Based Target in line with the 1.5-degree scenario by 2025, representing a 25% reduction in CO<sub>2</sub> eq./kg of fruit for Scope 1 and Scope 2 greenhouse gas emissions (GHG) respectively and a proportion of Scope 3 GHG emissions.

Fyffes Group Limited in the UK are committed to ongoing energy efficiency improvements and have been reporting carbon reductions for over ten years via Carbon Trust Standard Certification. Specific projects undertaken in 2023 include a major refrigeration upgrade at one site to improve energy efficiency, a continuing switch of our road transport fleet to a more fuel-efficient manufacturer and numerous smaller projects such as LED lighting upgrades in two sites. Covid had an impact on the workplace leading to more people working from home and therefore a reduction in business travel and the adoption of video conferencing for most meetings.

**Methodology:** We use the UK Government conversion factors for greenhouse gas (GHG) reporting published in July 2021 by the Department for Business, Energy and Industrial Strategy (BEIS) and have referred to the Government's Environmental Reporting Guidelines and the GHG Reporting Protocol – Corporate Standard.

Fyffes have been reporting carbon reductions for over ten years via Carbon Trust Standard certification.

# Fyffes Group Limited

## Directors' report *(continued)*

### **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 period end there were 4.92 days (25 December 2021: 4.23 days) purchases in trade creditors.

### **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 period, the policy of providing employees with information about the Company has been continued through the Fyffes Limited website.

### **Section 172 statement**

Fyffes Group Limited complies with section 172(1) of the Companies Act 2006 through engagement with its various stakeholders. The Company's strategy, and the implementation of this strategy, has been informed by interaction with stakeholders. It is the Company's intention to act responsibly towards its stakeholders. The Company's principal stakeholders and how it engages with each of them are as follows:

#### ***Shareholder***

Fyffes Group Limited regularly gives updates to its shareholders via business updates at various committees throughout the period.

#### ***Customers***

Fyffes Group Limited strives to make a positive contribution to the economy by supporting its customers and seeks to behave responsibly, treating them fairly and equally. The Board consistently reviews its customer strategy, receives updates on implementation and reviews progress.

#### ***Communities***

The Company seeks to enable communities in which it operates to thrive, through a tangible and visible commitment that brings its purpose to life.



# Fyffes Group Limited

## Directors' report *(continued)*

### Section 172 statement *(continued)*

#### ***People***

The Company's people are fundamental to the delivery of its strategy. The Company aims to be a responsible employer and is committed to enabling its people to thrive, ensuring that they are engaged and have the skills and capabilities to serve customers.

Fyffes Group Limited has regular employee committee meetings throughout the period, where key business updates are provided to employees.

#### ***Suppliers***

Fyffes Group Limited assesses its suppliers across a number of key risk areas, at the on-boarding stage for all suppliers and annually thereafter for suppliers providing product and services of high criticality and dependency to the Company.

#### ***Environment***

Fyffes Group Limited is conscious of its impact on the environment and has taken steps to reduce energy consumption at high usage locations that provide services to the Company.

#### **Post balance sheets events**

There were no significant events since the balance sheet date which require disclosure in, or adjustment, to the financial statements.

The Company does have considerable financial resources available to it, including the support of its ultimate parent company Sumitomo Corporation, and the Board therefore believes the Company is well placed to manage this evolving situation.

#### **Disclosure of information to the auditors**

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, the situation in Ukraine and Russia and its upward pressure on fuel, energy and agricultural input prices. 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 year have been included in the Strategic Report on page 2.

# Fyffes Group Limited

## Directors' report *(continued)*

### 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

  
John Hopkins  
J Hopkins  
Director

  
Andrew Joyce  
A Joyce  
Director

18 December 2023

Houndmills Road,  
Houndmills Industrial Estate  
Basingstoke  
Hampshire  
RG21 6XL

# 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 *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.

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

On behalf of the board

  
John Hopkins  
Director

  
Andrew Joyce  
A Joyce  
Director

18 December 2023



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 15 month period ended 31 March 2023 set out on pages 15 to 38, which comprise the statement of profit and loss account 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 state of the Company's affairs as at 31 March 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including 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.

#### *Conclusions relating to 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

On 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 the date when the financial statements are authorised for issue.



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

### Report on the audit of the financial statements *(continued)*

#### *Conclusions relating to going concern (continued)*

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

#### *Detecting irregularities including fraud*

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the Company's industry; regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as the most likely to have such an effect: health and safety regulations, employment law and environmental laws.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. On this audit we do not believe there is a fraud risk related to revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.



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

### Report on the audit of the financial statements *(continued)*

#### *Detecting irregularities including fraud (continued)*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### *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 report and the 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.

#### *Opinions on other matters prescribed by the Companies Act 2006*

Based solely on our work on the other information undertaken during the course of the audit:

- 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.



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

### Report on the audit of the financial statements (*continued*)

#### *Matters on which we are required to report by exception*

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

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

We have nothing to report in these respects.

### 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 9, 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 company; or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue in an auditor's report. 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, other irregularities 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](http://www.frc.org.uk/auditorsresponsibilities)



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

### Respective responsibilities and restrictions on use (continued)

#### *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)  
for and on behalf of  
**KPMG**

19 December 2023

**Chartered Accountants, Statutory Audit Firm**  
1 Stokes Place, St Stephen's Green  
Dublin 2



# Fyffes Group Limited

## Profit and loss account and other comprehensive income

For the 15 Month Period ended 31 March 2023

	Notes	Period ended 31 March 2023 £'000	Year ended 25 December 2021 £'000
<b>Turnover</b>	2	383,270	267,456
Cost of sales		(353,263)	(244,235)
<b>Gross profit</b>		30,007	23,221
Distribution and selling expenses		(21,761)	(17,129)
Administrative expenses		(13,016)	(7,311)
Other operating income	3	8,346	3,993
<b>Operating profit</b>		3,576	2,774
Dividend received from subsidiaries	6	-	4,302
Exceptional item	7	-	(25)
<b>Profit before interest</b>		3,576	7051
Interest payable and similar charges	4	(1,324)	(874)
<b>Profit before taxation</b>	5	2,252	6,177
Taxation	9	(686)	(214)
<b>Profit for the financial period</b>		1,566	5,963
<b>Other comprehensive income</b>			
Remeasurement of the net defined benefit liability	23	18,563	2,016
Tax on remeasurement of net defined benefit liability		(4,641)	910
<b>Other comprehensive income for the period</b>		13,922	2,926
<b>Total comprehensive income for the period</b>		15,488	8,889

# Fyffes Group Limited

## Balance sheet as at 31 March 2023

	Notes	31 March 2023 £'000	25 December 2021 £'000
<b>Fixed assets</b>			
Tangible assets	10	12,326	13,997
Right of use asset	11	4,178	5,792
Investment property	12	961	961
		<u>17,465</u>	<u>20,750</u>
<b>Financial assets</b>			
Investments in subsidiary undertakings	13	4,588	4,588
Other investments	14	3	3
		<u>4,591</u>	<u>4,591</u>
		<u>22,056</u>	<u>25,341</u>
<b>Current assets</b>			
Stocks	15	7,786	5,561
Debtors	16	74,546	66,188
Cash at bank and in hand		-	540
		<u>82,332</u>	<u>72,379</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(78,723)</u>	<u>(64,271)</u>
<b>Net current assets</b>		<u>3,609</u>	<u>8,108</u>
<b>Total assets less current liabilities</b>		<u>25,665</u>	<u>33,449</u>
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(5,384)</u>	<u>(7,690)</u>
<b>Net assets before post employment liabilities</b>		<u>20,281</u>	<u>25,759</u>
Retirement benefit and similar obligations	23	466	(20,500)
<b>Net assets</b>		<u>20,747</u>	<u>5,259</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,400	1,400
Share premium account	20	400	400
Currency reserve		-	-
Profit and loss account		<u>18,947</u>	<u>3,459</u>
<b>Shareholders' funds</b>		<u>20,747</u>	<u>5,259</u>

The notes on pages 18 to 37 form part of these financial statements.

These financial statements were approved by the board of directors on 18 December 2023 and were signed on its behalf by

  
John Hopkins  
Director

  
Andrew Joyce  
Director

Registered number: 70123

	<b>share capital £'000</b>	<b>premium £'000</b>	<b>reserve £'000</b>	<b>loss a</b>
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Fyffes Group Limited

Statement of changes in equity  
for the 15 Month Period ended 31 March

	<b>1,400</b>	<b>400</b>	<b>(102)</b>	
	Called up share capital £'000	Share premium £'000	Currency reserve £'000	Profit and loss account £'000
<b>At 26 December 2020</b>	1,400	400	(102)	(5,328)
Comprehensive loss for the year	-	-	-	8,889
Reserve movement	-	-	102	(102)
<b>Total comprehensive loss for the year</b>	-	-	-	3,459
<b>At 25 December 2021</b>	1,400	400	-	3,459
Comprehensive income for the period	-	-	-	15,488
<b>Total comprehensive income for the period</b>	<b>1,400</b>	<b>400</b>	-	15,488
<b>At 31 March 2023</b>	1,400	400	-	18,947

**1,400**      **400**

# Fyffes Group Limited

## Notes forming part of the financial statements

### 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"). The Company manages its operations and reports its financial performance on a 4/4/5 weekly calendar, dividing its financial period into four 13 week quarters, each comprising of two 4 week months and one 5 week month. The accounting policies applied consistently in the preparation of the financial statements for the 65 week financial period ended 31 March 2023 are set out below.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of Companies Act 2006 (Adopted 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.

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 Sumitomo Corporation. The financial statements for Sumitomo Corporation are available to the public online (<https://www.sumitomocorp.com/en/jp/ir/report>).

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 and
- the effects of new but not yet effective IFRSs

As Sumitomo Corporation's consolidated financial statements of 31 March 2023 include the equivalent disclosures, the Company has also taken the exemptions 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* in respect of the impairment of Goodwill and indefinite useful life of intangible assets.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements at 31 March 2023.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are measured at their fair value; the assets and liabilities in the Company's defined benefit pension scheme are valued in accordance with the retirement benefit accounting policy on page 23.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 1. Accounting policies (continued)

#### *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 stated.

#### *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.

#### *Going concern*

At 31 March 2023, the Company had net assets of £20,747k and net current assets of £3,609k. 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.

#### *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.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 1. Accounting policies (continued)

#### *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.

#### *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. 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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 1. Accounting policies (continued)

#### As lessee: (continued)

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 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.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 1. Accounting policies (continued)

#### *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. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

#### *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.

#### *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.



# Fyffes Group Limited

## Notes forming part of the financial statements

### 1. Accounting policies (continued)

#### *Employee benefits (continued)*

##### *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.

##### *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.

###### *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.

# Fyffes Group Limited

Notes forming part of the financial statements

## 3. Other operating income/(expense) (net)

	Period ended 31 March 2023 £'000	Year ended 25 December 2021 £'000
Management fee Income	8,424	3,713
Foreign currency (gain)/loss	(349)	111
Other income	112	98
Net Gain on disposal of tangible fixed assets	159	71
	<b>8,346</b>	<b>3,993</b>

## 4. Interest payable and similar charges

## 5. Profit/(loss) before taxation

	Period ended 31 March 2023 £'000	Year ended 25 December 2021 £'000
Interest expense on defined benefit obligation (note 23)	418	313
Lease interest	441	419
Other interest payable	465	142
	<b>1,324</b>	<b>874</b>

## 5. Profit/(loss) before taxation

	Period ended 31 March 2023 £'000	Year ended 25 December 2021 £'000
--	---	--

*This is stated after charging:*

Auditor's remuneration:

- Audit

**Audit services**

81 60

Depreciation of tangible fixed assets and right of use assets

4,296 3,281

**Depreciation of tangible fixed assets and right of use assets**

**Profit on sale of fixed assets**

- Salaries and other emoluments (including pension contributions)

1,024 659

- Pension contributions

85 55

**Directors' remuneration:**

**Salaries and other emoluments (including pension c**

**Pension contributions**

# Fyffes Group Limited

## Notes forming part of the financial statements

### 6. Dividend received from subsidiaries

	Period ended 31 March 2023 £'000 £	Year ended 25 December 2021 £'000 £
Fyffes Scotland Limited	-	4,302
	-	4,302

### 7. Exceptional items

	Period ended 31 March 2023 £'000	Year ended 31 December 2021 £'000
Impairment of investment in Geest Line Limited	-	-
Loss on disposal of Investment	-	(25)
	-	(25)

The Company sold its investment in Geest line Limited during the prior year for a net loss after legal fees of £25,000.

### 8. Staff costs

	Period ended 31 March 2023 £'000	Year ended 25 December 2021 £'000
Wages and salaries	18,081	14,175
Social security costs	1,829	1,228
Other pension costs	1,413	1,029
Charged to the profit and loss	21,323	16,432

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

	Period ended 31 March 2023 Number	Year ended 31 December 2021 Number
Production	374	375
Sales and distribution	43	41
Administration	67	79
	484	495

# Fyffes Group Limited

## Notes forming part of the financial statements

### 8. Staff costs (continued)

Staff costs, including directors' remuneration, were as follows:

The highest paid director received remuneration of £292,371 (year ended 25 December 2021 - £245,526).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (year ended 25 December 2021 - £Nil).

### 9. Taxation

	Period ended 31 March 2023 £'000	Year ended 31 December 2021 £'000
<b>Recognised in the profit and loss account</b>		
<i>UK Corporation tax</i>		
Current tax for the period	55	71
Adjustments in respect of prior periods	16	-
Total current tax	71	-
<i>Deferred tax (see Note 16)</i>		
Origination and reversal of temporary differences	15	(50)
Origination and reversal of temporary differences – pensions	456	201
Impact of change in tax rates	144	63
		15
Other adjustments	-	-
Total deferred tax	615	456
Total tax charge	686	144

615

686

# Fyffes Group Limited

## Notes forming part of the financial statements

### 9. Taxation (continued)

	Period ended 31 March 2023 £'000	Year ended 31 December 2021 £'000
Deferred tax recognised directly in equity	4,641	(910)
Total tax recognised directly in equity	4,641	(910)
Profit for the year	1,637	5,963
Total tax charge	615	214
Profit excluding taxation	2,252	6,177
Tax using the corporation tax rate of 19 % (2020: 19%)	428	1,174
Group relief surrendered	-	(122)
Non-deductible expenses	35	29
Income not taxable	-	(813)
Deferred tax not recognised	58	(117)
Impact of change in tax rates	147	-
Other	18	63
Total tax charge	686	214

In the 23 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This has a consequential effect on the future tax charge.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 10. Tangible fixed assets

	Freehold and leasehold properties £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost or valuation</i>				
At beginning of financial period	9,589	23,257	1,854	34,700
Additions	-	610	-	610
Disposals	-	(413)	(625)	(1,038)
<b>At 31 March 2023</b>	<b>9,589</b>	<b>23,454</b>	<b>1,229</b>	<b>34,272</b>
<i>Depreciation</i>				
At beginning of financial period	1,201	18,220	1,282	20,703
Charged during financial period	185	1,711	311	2,207
Arising on disposals	-	(379)	(585)	(964)
<b>At 31 March 2023</b>	<b>1,386</b>	<b>19,552</b>	<b>1,008</b>	<b>21,946</b>
<i>Net book value</i>				
<b>31 March 2023</b>	<b>8,203</b>	<b>3,902</b>	<b>221</b>	<b>12,326</b>
At 25 December 2021	8,388	5,037	572	13,997

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 (2021: £3,215,148).

### 11. Right of use asset

The Company adopted IFRS16: Leases on 1 January 2019. Under this 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. 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.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 11. Right of use asset (continued)

	Land and Buildings £'000	Plant and Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>				
At beginning of financial period	12,103	481	449	13,033
Additions in period	16	18	450	484
Disposal in period	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>12,119</b>	<b>499</b>	<b>899</b>	<b>13,517</b>
<b>Depreciation and impairment losses</b>				
At beginning of financial period	6,947	133	161	7,241
Depreciation charge for the period	1,648	210	240	2,098
Disposal in period	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>8,595</b>	<b>343</b>	<b>401</b>	<b>9,339</b>
<b>Net Book value</b>				
At 31 March 2023	<b>3,524</b>	<b>156</b>	<b>498</b>	<b>4,178</b>
<b>At 25 December 2021</b>	<b>5,156</b>	<b>348</b>	<b>288</b>	<b>5,792</b>

### 12. Investment property

	31 March 2023 £'000	25 December 2021 £'000
<b>Long term leasehold investment property</b>		
At beginning and end of financial period	961	961
<b>At end of financial year</b>	<b>961</b>	<b>961</b>

The directors are satisfied that the investment property is recognised at its approximate fair value based on their knowledge of the property, its location and relevant market conditions. No external valuation expert was required in the current year in determining the fair value.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 13. Investments in subsidiary undertakings

	31 March 2023 £'000	25 December 2021 £'000
<b>Cost</b>		
At beginning and end of financial period	10,386	10,386
<b>Provision for impairment</b>		
At beginning and end of financial period	(5,798)	(5,798)
<b>Net book value</b>		
At end of financial period	4,588	4,588

At 31 March 2023, investments in principal subsidiary undertakings reflect the following:

#### *Incorporated in the United Kingdom*

Name	Ordinary shares	Nature of business	% owned directly
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

	31 March 2023 £'000	25 December 2021 £'000
<b>Cost</b>		
At beginning of financial period	3	15,003
Disposal in period	-	15,000
<b>At 31 March 2023</b>	<b>3</b>	<b>3</b>
<b>Provision for impairment</b>		
At beginning of financial period	-	(14,300)
Impairment charge recognised in the period	-	-
Disposal in period	-	14,300
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At 31 March 2023</b>	<b>3</b>	<b>3</b>
Investments in associated undertakings	-	-
Trade investments at cost	2	2
Quoted investments at cost	1	1
	3	3

In the year the company sold its investment in Geest Line Limited.



# Fyffes Group Limited

## Notes forming part of the financial statements

### 15. Stocks

	31 March 2023 £'000	25 December 2021 £'000
Raw materials and consumables	230	123
Fresh fruit	7,556	5,528
	<u>7,786</u>	<u>5,561</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 £308,000 (25 December 2021: £167,114). Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to £352,538,268 (year ended 25 December 2021: £244,234,765).

### 16. Debtors

	31 March 2023 £'000	25 December 2021 £'000
Trade debtors	38,170	31,486
Other debtors	8,443	5,745
Amounts due from other Group undertakings	26,142	21,951
Prepayments	697	235
Deferred tax asset (see below)	1,094	6,771
	<u>74,546</u>	<u>66,188</u>

Amounts due from other group undertakings are unsecured, interest free and repayable on demand.

	31 March 2023 £'000	25 December 2021 £'000
Deferred tax asset	1,094	6,771
Deferred tax liability (note 17)	(1,046)	(1,467)
	<u>48</u>	<u>5,304</u>
	<b>2023</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<i>Deferred taxation</i>		
At beginning of financial year	5,304	4,608
Credited/(charged) during the financial year (note 9)	(615)	(214)
Employee benefits via other comprehensive income	(4,641)	910
	<u>48</u>	<u>5,304</u>
<b>Net asset at end of financial year</b>	<b>48</b>	<b>5,304</b>

# Fyffes Group Limited

## Notes forming part of the financial statements

### 16. Debtors (continued)

Deferred taxation represents provision for timing differences as follows:

	31 March 2023 £'000	25 December 2021 £'000
Depreciation in excess of capital allowances	-	-
Origination/reversal of timing differences	166	179
Employee benefits	(118)	5,125
	<u>48</u>	<u>5,304</u>

#### *Deferred tax asset*

In the 23 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This has a consequential effect on the future tax charge.

### 17. Creditors: amounts falling due within one year

	31 March 2023 £'000	25 December 2021 £'000
Bank loans/overdraft	989	-
Trade creditors	7,491	2,977
Other taxes and social security costs	443	1,071
Accruals	9,268	12,997
Amounts due to other group undertakings	57,593	44,261
Deferred tax liability	1,046	1,467
Lease liability	1,893	1,498
	<u>78,723</u>	<u>64,271</u>

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

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

	31 March 2023 £'000	25 December 2021 £'000
Amounts due to other group companies	2,437	2,437
Lease liability	2,947	5,253
	<u>5,384</u>	<u>7,690</u>

Amounts owed to group undertakings represent a loan that is unsecured, wholly repayable on 17 September 2024 and attracts an interest rate of LIBOR + 2.1608% margin per annum.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 19. Share capital

	31 March 2023 £'000	25 December 2021 £'000
<i>Authorised, allotted, called up and fully paid:</i>		
1,000,000 Ordinary shares of £1 each	1,000	1,000
400,000 "A" ordinary shares of £1 each	400	400
	<u>1,400</u>	<u>1,400</u>

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.

### 20. Share premium account

	31 March 2023 £'000	25 December 2021 £'000
Premium on issue of "A" ordinary shares	400	400

### 21. Commitments and contingencies

#### (a) Capital commitments

	2023 £'000	2021 £'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 31 March 2023 (25 December 2021: £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.

### 22. 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.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 22. Operating leases (continued)

Non-cancellable operating lease rentals are payable as follows:

	31 March 2023 £'000	25 December 2021 £'000
Less than one year	-	-
Between one and five years	-	-
More than five years	-	-
	<hr/>	<hr/>
	-	-

During the year £Nil was recognised as an expense in the profit and loss account in respect of operating leases (year ended 25 December 2021: £Nil).

### 23. Pension information

#### *Defined benefit pension scheme*

A full actuarial valuation was carried out on the scheme at 31 October 2021. The result of this review was a deficit of £17.5 million. The Company agreed a revised recovery plan with the trustees of the scheme involving 10 annual payments of £1.45 million commencing in January 2023, 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 IAS 19 *Employee Benefits*, were as follows:

Valuation method	2023 Projected Unit %	2021 Projected Unit %	2020 Projected Unit %
Discount rate	4.80	1.80	1.40
Inflation rate – RPI	3.10	3.30	2.90
Inflation rate – CPI	2.70	3.10	2.20
Increase to pension in payment (pre April 2005)	3.10	3.30	2.90
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 31 March 2023, 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: 89 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.

# Fyffes Group Limited

## Notes forming part of the financial statements

### 23. Pension information (continued)

	31 March 2023 £'000	25 December 2021 £'000
Equities	6,283	20,865
Bonds	75,880	91,912
Property	3,776	6,568
Other	6,770	11,805
Total market value of pension scheme assets	92,709	131,150
Present value of funded defined benefit obligations	(92,243)	(151,650)
Surplus	466	(20,500)
Related deferred tax (liability)/asset	(116)	5,361
<b>Net Asset/(liability) recognised on the balance sheet</b>	<b>350</b>	<b>(15,139)</b>

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 31 March 2023.

#### *Analysis of amount charged to operating profit:*

	31 March 2023 £'000	25 December 2021 £'000
Current service costs – total scheme	-	-
Less: contributions received from other pension scheme members	-	-
<b>Total operating charge</b>	<b>-</b>	<b>-</b>

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

	31 March 2023 £'000	25 December 2021 £'000
Interest income on scheme assets	2,924	1,758
Interest expense on defined benefit obligations	(3,342)	(2,071)
<b>Net charge</b>	<b>(418)</b>	<b>(313)</b>

# Fyffes Group Limited

## Notes forming part of the financial statements

### 23. Pension information (continued)

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

	31 March 2023 £'000	25 December 2021 £'000
Administrative expenses	-	-
Interest payable and similar charges (note 4)	(418)	(313)
	<u>(418)</u>	<u>(313)</u>

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

	31 March 2023 £'000	25 December 2021 £'000
Remeasurement (losses)/gains on scheme assets	(37,992)	6,041
Actuarial losses on scheme liabilities arising from past experience	(6,506)	(864)
Actuarial gains/(losses) on scheme liabilities arising from changes in financial assumptions	<u>63,061</u>	<u>(3,161)</u>
<b>Actuarial gain recognised in statement of comprehensive income</b>	<b><u>18,563</u></b>	<b><u>2,016</u></b>

#### *Movement in fair value of plan assets:*

	31 March 2023 £'000	25 December 2021 £'000
At the beginning of the financial period	131,150	126,664
Interest receivable	2,924	1,758
Remeasurement gains on scheme assets	(37,992)	6,041
Contributions by the employer	2,820	1,370
Net benefits paid out	<u>(6,193)</u>	<u>(4,683)</u>
<b>At end of the financial period</b>	<b><u>92,709</u></b>	<b><u>131,150</u></b>

#### *Movement in present value of defined benefit obligation:*

	31 March 2023 £'000	25 December 2021 £'000
At the beginning of the financial period	151,650	150,237
Actuarial experience loss	6,506	864
Interest expense on defined benefit obligation	3,342	2,071
Actuarial losses on scheme liabilities	(63,061)	3,161
Net benefits paid out	<u>(6,194)</u>	<u>(4,683)</u>
<b>At end of the financial period</b>	<b><u>92,243</u></b>	<b><u>151,650</u></b>

# Fyffes Group Limited

## Notes forming part of the financial statements

### 23. Pension information (continued)

#### *History of actuarial gains and losses*

	2023 £'000	2021 £'000	2020 £'000
Remeasurement (losses)/gains on scheme assets	(37,992)	6,041	10,543
<i>Expressed as a percentage of scheme assets</i>	(41%)	4.6%	8.3%
Actuarial losses on scheme liabilities arising from experience	6,506	864	-
<i>Expressed as a percentage of scheme liabilities</i>	7.05%	0.6%	-%
Total actuarial gains/(losses) recognised in statement of comprehensive income	18,563	2,016	(8,572)
<i>Expressed as a percentage of scheme liabilities</i>	20.1%	1.3%	(5.7%)

#### *History of plans*

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

#### *Balance sheet*

	2023 £'000	2021 £'000	2020 £'000
Present value of scheme liabilities	(92,243)	(151,650)	(150,237)
Fair value of scheme assets	92,709	131,150	126,664
Surplus/(Deficit)	466	(20,500)	(23,573)

#### *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 period relating to the defined contribution section of the scheme was £657,313 (year ended 25 December 2021: £482,240). The amount included in other creditors in respect of this scheme at year end was £46,834.87 (25 December 2021: £67,085).

### 24. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of Fyffes Group Limited is Sumitomo Corporation (Japanese listed company) with a registered address at OTEMACHI PLACE EAST TOWER, 3-2 Otemachi 2-Chome, Chiyoda-ku, Tokyo 100-8601, Japan. The smallest and largest group into which the financial statements of Fyffes Group Limited are consolidated is that headed by Sumitomo Corporation. The financial statements for Sumitomo Corporation are available to the public online (<https://www.sumitomocorp.com/en/jp/ir/report>).

### 25. 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 Sumitomo Corporation 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 no balances due from/(to) related parties at the 31 March 2023 or 25 December 2021.

# Fyffes Group Limited

## Notes forming part of the financial statements

### **26. Post balance sheet events**

There have been no material events subsequent to the year-end which require disclosure in, or adjustment to, the financial statements.

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

Particular areas which are subject to accounting estimates and judgements in these financial statements are the areas of post-employment benefits including discount rates, the carrying value of investments and in relation to judgemental provisions and accruals.

The estimation of employee benefit costs requires the use of actuaries in the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in note 23.

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