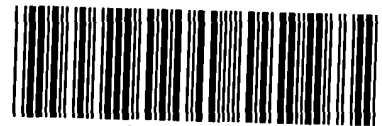


Financial statements

Uren Food Group Limited

For the year ended 31 March 2018

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Company No 00517333

Company information

Company registration number	00517333
Registered office	Wood Park Chester High Road Neston Cheshire CH64 7TB
Directors	P N Barratt P M Jones R J Laird I R Stewart J L Wood
Auditors	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Royal Liver Building Liverpool L3 1PS

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Strategic report

Principal activities

The principal activity of the group is that of processors and distributors of conventional, organic and fair trade food ingredients.

Business review and results

The profit before tax for the group and its share of its associated company was £8,000 (2017: £953,000).

The group recorded sales of £73,197,000 (2017: £63,176,000) driven by strong growth in the UK sales.

Despite the positive growth in sales, profits from our UK business remained flat as large foreign exchange losses driven by the appreciation of sterling against the dollar during the course of the financial year offset the increased profitability from rising sales.

Overseas sales fell as a consequence of the aforementioned appreciation in sterling comparative to the dollar, reducing the sterling value of Uren North America and Berries Chile sales when included in these accounts. However, the underlying performance of these two subsidiaries was positive, with showing both increased turnover and profitability.

However, our Polish operations, Uren Coldstores and Uren Novaberry had extremely challenging years as a result of a poor 2017 crop for strawberries and cherries. Unseasonal frosts dramatically reduced the raw material availability, and as a consequence production volumes fell significantly, and the losses from Poland reduced the overall profitability of the Group.

Whilst the longer term implications of Brexit remain unclear, the geographical diversity of the Group's customer and supplier base, and the strength of the Group balance sheet mean that it is well positioned to adapt to the changing economic environment.

Key performance indicators

Key performance indicators include turnover, cost of goods sold as a percentage of sales, and total borrowing levels.

	2018	2017
Revenue (£000)	73,197	63,176
Cost of sales (£000)	67,790	57,111
Cost of sales as percentage of revenue (%)	92.6	90.4
Group borrowing (£000)	9,325	10,258

Group revenues rose by 15.9%, which was especially pleasing in light of the difficult trading conditions in Poland.

Cost of sales as a % of sales has deteriorated as a consequence of raw material price pressures.

The group's focus on improving working capital management facilitated a reduction in group borrowings of £933,000.

Strategic report (continued)

Principal risks and uncertainties

The directors have set out the principal risks facing the company in the Report of the directors.

Approved and signed on behalf of the board of Directors

A handwritten signature in black ink, appearing to be 'R J Laird', followed by a long horizontal line extending to the right.

R J Laird
Director

18 October 2018

Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 March 2018.

Proposed dividend

The directors recommend a dividend of £100,000 equivalent to £20.00 per qualifying ordinary share for the year ended 31 March 2018 (2017: £100,000; £20.00 per share). This dividend has not been provided for, as the dividend was not approved before the year end.

Directors

The directors who held office during the year were as follows:

I R Stewart
P M Jones
J L Wood
P N Barratt
R J Laird

Directors responsibilities statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

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

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company and group's auditor is aware of that information.

Report of the directors (continued)

Directors responsibilities statements (continued)

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

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Principal risks and uncertainties

The Company and group uses financial instruments, including loans, cash, equity investments and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's and group's operations.

The existence of these financial instruments exposes the Company and group to a number of financial risks, which are described in more detail below. In order to manage the Company's and group's exposure to these risks, in particular the exposure to currency risk, the Company and group enter into forward foreign currency contracts.

Currency risk – The group is exposed to translation and transaction foreign currency risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts.

Liquidity risk – the Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

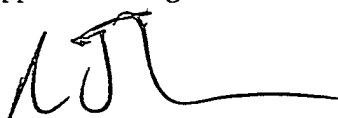
Interest risk – The group finances its operations through a mixture of retained profits and bank borrowings. The only interest bearing liabilities are bank borrowings at a variable rate.

Auditor

The auditors, Grant Thornton UK LLP, were appointed as auditor post year end.

The auditor, Grant Thornton UK LLP, will be proposed for re-appointment in accordance with section 487(2) of the Companies Act 2006.

Approved and signed on behalf of the board of Directors



R J Laird
Director

18 October 2018



Independent auditor's report to the members of Uren Food Group Limited

Opinion

We have audited the financial statements of Uren Food Group Limited and its subsidiaries for the year ended 31 March 2018 which comprise the Consolidated statement of comprehensive income, the Consolidated and company balance sheets, the Consolidated and company Statement of changes in equity, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
 - the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting 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 Uren Food Group Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic report and the Directors' report set out on pages 3-6 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 5-6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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 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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Emma Stoddart
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool

18 October 2018

Consolidated statement of comprehensive income

	Note	2018 £'000	2017 £'000
Turnover	5	73,197	63,176
Cost of sales		(67,790)	(57,111)
Gross profit		5,407	6,065
Administrative expenses		(5,200)	(5,333)
Other operating income	6	11	47
Profit on ordinary activities before interest and taxation		218	779
Group share of operating profit in associate		(33)	307
Other interest receivable and similar income	10	100	85
Interest payable and similar charges	11	(278)	(218)
Profit on ordinary activities before taxation		7	953
Tax on profit	12	1	(157)
Profit for the financial year		8	796
Other comprehensive income			
Exchange difference in translation of net assets of operations accounted for in foreign currencies		(337)	(19)
Effective portion of changes in fair value of cash flow hedges		(748)	662
Net change in fair value of cash flow hedges recycled to profit or loss		(662)	(605)
Income tax on other comprehensive income		267	(5)
Other comprehensive (loss)/income for the financial year net of income tax		(1,472)	33
Total comprehensive (loss)/income for the year		(1,466)	829

All activities relate to continuing operations.

The accompanying accounting policies and notes on pages 15 -32 form an integral part of these financial statements

Consolidated and company balance sheet

	Note	Group		Company	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13	2,274	2,368	475	471
Investments in group undertakings	14	2,014	2,037	1,862	1,862
		<u>4,288</u>	<u>4,405</u>	<u>2,337</u>	<u>2,333</u>
Current assets					
Stocks	15	11,165	10,368	7,024	6,235
Debtors	16	15,748	17,172	17,406	19,143
Cash at bank and in hand		606	305	326	179
		<u>27,519</u>	<u>27,845</u>	<u>24,756</u>	<u>25,557</u>
Creditors: amounts falling due within one year	17	<u>(18,728)</u>	<u>(17,602)</u>	<u>(15,254)</u>	<u>(15,091)</u>
Net current assets		<u>8,791</u>	<u>10,243</u>	<u>9,502</u>	<u>10,466</u>
Total assets less current liabilities		<u>13,079</u>	<u>14,648</u>	<u>11,839</u>	<u>12,799</u>
Creditors: amounts falling due after more than one year	18	(514)	(502)	-	-
Provisions for liabilities	19	-	(9)	-	(126)
Net assets		<u>12,565</u>	<u>14,137</u>	<u>11,839</u>	<u>12,673</u>
Capital and reserves					
Called up share capital		5	5	5	5
Non-distributable reserves		16	16	1	1
Cash flow hedging reserve		(607)	536	(607)	536
Profit and loss account		13,151	13,580	12,440	12,131
Shareholders' funds		<u>12,565</u>	<u>14,137</u>	<u>11,839</u>	<u>12,673</u>

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £409,000 (2017: £538,000).

These financial statements were approved and authorised for issue by the board of directors on 18 October 2018 and signed on its behalf by:


I R Stewart
Director

Company registration no: 00517333

The accompanying accounting policies and notes on pages 15 -32 form an integral part of these financial statements

Consolidated statement of changes in equity

	Called up share capital £'000	Non- distributable reserves £'000	Cash flow hedging reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 31 March 2017	5	16	536	13,580	14,137
Total comprehensive income for the year					
Profit for the year	-	-	-	8	8
Other comprehensive income	-	-	(1,143)	(337)	(1,480)
Total comprehensive income for the year	-	-	(1,143)	(329)	(1,472)
Dividends paid	-	-	-	(100)	(100)
Balance at 31 March 2018	5	16	(607)	13,151	12,565
Balance at 31 March 2016	5	16	484	12,917	13,422
Total comprehensive income for the year					
Profit for the year	-	-	-	796	796
Other comprehensive income	-	-	52	(19)	33
Total comprehensive income for the year	-	-	52	777	829
Dividends paid	-	-	-	(114)	(114)
Balance at 31 March 2017	5	16	536	13,580	14,137

The accompanying accounting policies and notes on pages 15 -32 form an integral part of these financial statements

Company statement of changes in equity

	Called up share capital £'000	Non- distributable reserves £'000	Cash flow hedging reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 31 March 2017	5	1	536	12,131	12,673
Total comprehensive income for The year					
Profit for the year	-	-	-	409	409
Other comprehensive income	-	-	(1,143)	-	(1,143)
Total comprehensive income for the year	-	-	(1,143)	409	(734)
Dividends paid	-	-	-	(100)	(100)
Balance at 31 March 2018	5	1	(607)	12,440	11,839
Balance at 31 March 2016	5	1	484	11,707	12,197
Total comprehensive income for the year					
Profit for the year	-	-	-	538	538
Other comprehensive income	-	-	52	-	52
Total comprehensive income for the year	-	-	52	538	590
Dividends paid	-	-	-	(114)	(114)
Balance at 31 March 2017	5	1	536	12,131	12,673

The accompanying accounting policies and notes on pages 15 -32 form an integral part of these financial statements

Consolidated statement of cash flows

	2018 £'000	2017 £'000
Cash flows from operating activities		
Profit for the financial year	8	796
Adjustments for:		
Depreciation	298	323
Foreign exchange losses	(42)	140
Interest receivable and similar income	(100)	(85)
Interest payable and similar charges	278	218
Loss on disposal of tangible fixed assets	-	3
Deferred government grant	(12)	(47)
Group share of operating profit in associate	33	(307)
Taxation	1	157
Cash from operations	463	1,198
(Increase)/decrease in trade and other debtors	1,162	(1,131)
(Increase)/decrease in stocks	(797)	186
(Decrease)/increase in trade and other creditors	992	(283)
	1,820	(30)
Income taxes paid	(84)	(160)
Net cash generated from operating activities	1,736	(190)
Cash flows from investing activities		
Purchases of tangible fixed assets	(286)	(738)
Dividends received	-	24
Loan to Wood Park Foods Limited	(139)	(70)
Net cash from investing activities	(425)	(784)
Cash flows from financing activities		
Interest payable	(278)	(218)
Interest receivable	100	85
Repayment of finance leases	(99)	-
Dividends paid	(100)	(114)
Net cash used in financing activities	(377)	(247)
Net decrease in cash and cash equivalents	934	(1,221)

The accompanying accounting policies and notes on pages 15 -32 form an integral part of these financial statements

Notes to the financial statements

1. Company information

Uren Food Group Limited, incorporated in the United Kingdom, registered office and principal place of business being Wood Park, Chester High Road, Neston, Chester, CH64 7TB.

The principal activity of the group is that of processors and distributors of conventional, organic and fair trade food ingredients.

Uren Food Group Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in the group's functional currency, Sterling (£).

The group financial statements consolidate the financial statements of Uren Food Group Limited and all of its subsidiary undertakings drawn up to 31 March 2018.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the year was £409,000 (2017: profit of £538,000).

The parent company has also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments;
 - items of income, expenses, gains or losses relating to financial instruments; and
 - exposure to and management of financial risks.
- the requirements of section 33 related party disclosures paragraph 33.7

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and there is funding available to meet liabilities as they fall due. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Notes to the financial statements

3. Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. In this regard, the directors believe that the critical accounting policies where judgements or estimates are necessarily applied are doubtful debt and stock provisions (based on a case by case review), cashflow hedge effectiveness (based on a case by case review), cashflow hedge valuation (based on a case by case review and supported by bank valuation) and the impairment of investments (assessed annually based on a review of future cashflow generation).

4. Accounting policies

4.1 Basic financial instruments

Trade and other debtors/creditors

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

Interest-bearing borrowings classified as basic financial instruments

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

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. 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 only of the cash flow statement.

4.2 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Notes to the financial statements

4. Accounting policies (continued)

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in profit or loss immediately.

4.3 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is provided on a reducing balance or straight line basis to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Freehold land and buildings	- 2% straight line
Plant and machinery	- 8% to 20% reducing balance
Fixtures, fittings	- 15% to 50% reducing balance
Motor vehicles	- 20% to 40% reducing balance

No depreciation is provided on freehold land.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

4.4 Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Notes to the financial statements

4. Accounting policies (continued)

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

4.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all expenditure incurred in bringing each product to its final location and condition, which includes a proportion of attributable overheads where appropriate.

4.6 Government grants

Grants are accounted under the accruals model as permitted by FRS102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of the grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

4.7 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Notes to the financial statements

4. Accounting policies (continued)

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Employee benefits

Defined contribution plans and other long term employee benefits

The Company operated various defined contribution plans under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

4.9 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 recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

4.10 Turnover

Turnover represents the net amounts (excluding value added tax and customer discounts) derived from the provision of goods and services to third party customers during the year. Revenue is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

4.11 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and associates to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because

Notes to the financial statements

4. Accounting policies (continued)

certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the financial statements

5. Turnover

Turnover, analysed geographically between markets, was as follows:

	2018 £'000	2017 £'000
United Kingdom	53,593	41,765
Rest of the World	19,604	21,411
	<u>73,197</u>	<u>63,176</u>

All turnover relates to the sale of fruit, fruit juices and concentrates, vegetables, honey, nuts and other food ingredients.

6. Other operating income

	2018 £'000	2017 £'000
Release of government grants	<u>11</u>	<u>47</u>

7. Expenses and auditor's remuneration

Included in profit/loss are the following:

	2018 £'000	2017 £'000
Depreciation	298	324
Operating leases	103	127
(Profit)/loss on sale of fixed assets	-	3
Foreign exchange losses/(gains)	<u>(42)</u>	<u>(39)</u>

Auditor's remuneration

	2018 £'000	2017 £'000
Audit of these financial statements	30	31
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of parent of the company	3	25
Taxation compliance services	8	26
	<u>41</u>	<u>82</u>

Notes to the financial statements

8. Staff numbers and costs

The average number of persons (including directors) during the year, analysed by category, was as follows:

Group	Number of employees	
	2018	2017
Production and distribution	155	169
Sales and marketing	15	16
Administration	33	31
	<u>203</u>	<u>216</u>

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£'000	£'000
Wages and salaries	3,640	3,576
Social security costs	531	513
Contributions to defined contribution plans	97	112
	<u>4,268</u>	<u>4,201</u>

Company	Number of employees	
	2018	2017
Production and distribution	15	14
Sales and marketing	13	12
Administration	10	10
	<u>38</u>	<u>36</u>

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£'000	£'000
Wages and salaries	2,097	1,998
Social security costs	306	313
Contributions to defined contribution plans	81	86
	<u>2,484</u>	<u>2,397</u>

Notes to the financial statements

9. Directors remuneration

	2018 £'000	2017 £'000
Directors' remuneration	798	736
Company contributions to money purchase pension plans	49	49
Amounts paid to third parties in respect of directors' services	10	10
	<u>857</u>	<u>795</u>

The remuneration of the highest paid director was £ 297,780 (2017: £264,064) and company pension contributions of £Nil (2017: £Nil) were made to a money purchase scheme on his behalf.

10. Other interest receivable and similar income

	2018 £'000	2017 £'000
Interest on group loans	<u>100</u>	<u>85</u>

11. Interest payable and similar charges

	2018 £'000	2017 £'000
Bank loans and overdrafts wholly repayable withing five years	<u>278</u>	<u>218</u>

12. Taxation

	2018 £'000	2017 £'000
Current tax		
Current tax on profit for the period	-	121
Overseas taxation	(2)	24
Adjustments in respect of prior periods	-	(22)
Share of associate's current tax	<u>1</u>	<u>59</u>
Total current tax	(1)	182
Deferred tax (see note 19)	(267)	(20)
Total tax	<u>(268)</u>	<u>162</u>

Notes to the financial statements

12. Taxation (continued)

	Current tax £'000	2018 Deferred tax £'000	Total tax £'000	Current tax £'000	2017 Deferred tax £'000	Total tax £'000
Recognised in profit or loss	(1)	-	(1)	182	(25)	157
Recognised in other comprehensive income	-	(267)	(267)	-	5	5
	<u>(1)</u>	<u>(267)</u>	<u>(268)</u>	<u>182</u>	<u>(20)</u>	<u>162</u>

Reconciliation of effective tax rate

	2018 £'000	2017 £'000
Profit for the year	8	796
Total tax expense	<u>(1)</u>	<u>157</u>
Profit excluding taxation	7	953
Tax using the UK corporation tax rate of 19 % (2017: 20%)	1	191
Effect of tax rates in foreign jurisdictions	(2)	(40)
Non-deductible expenses	-	9
Permanent differences	-	19
Under/(over) provided in prior years	-	(22)
Total tax expense included in profit or loss	<u>(1)</u>	<u>157</u>

Future changes in the tax rate

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The UK deferred tax balances at 31 March 2018 have been calculated based on these rates.

Notes to the financial statements

13. Tangible fixed assets

Group	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2017	1,682	2,434	2,063	125	6,304
Additions	99	141	44	2	286
Disposals	-	-	-	(25)	(25)
Effect of movements in foreign exchange	130	(288)	20	4	(134)
At 31 March 2018	<u>1,911</u>	<u>2,287</u>	<u>2,127</u>	<u>106</u>	<u>6,431</u>
Depreciation					
At 1 April 2017	660	1,600	1,595	81	3,936
Depreciation charge for the year	54	122	100	22	298
Disposals	-	-	-	(25)	(25)
Effect of movements in foreign exchange	103	(139)	11	(27)	(52)
At 31 March 2018	<u>817</u>	<u>1,583</u>	<u>1,706</u>	<u>51</u>	<u>4,157</u>
Net book value					
At 31 March 2017	<u>1,022</u>	<u>834</u>	<u>468</u>	<u>44</u>	<u>2,368</u>
At 31 March 2018	<u>1,094</u>	<u>704</u>	<u>421</u>	<u>55</u>	<u>2,274</u>

Land and buildings are shown at cost. Land and buildings are represented by a freehold cold store situated in Poland, a cold store and land situated in Chile, and the freehold UK head office premises.

Included within the cost of land and buildings is £200,000 (2017: £200,000) in respect of land which is not depreciated.

Included in the net book value of plant, equipment and motor vehicles is £784,000 (2017: £770,000) in respect of finance leases. Depreciation for the year on these assets was £203,000 (2017: £73,000).

Notes to the financial statements

13. Tangible fixed assets (continued)

Company	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2017	518	19	474	11	1,022
Additions	-	-	31	-	31
At 31 March 2018	<u>518</u>	<u>19</u>	<u>505</u>	<u>11</u>	<u>1,053</u>
Depreciation					
At 1 April 2017	84	17	440	10	551
Depreciation charge for the year	6	1	20	-	27
At 31 March 2018	<u>90</u>	<u>18</u>	<u>460</u>	<u>10</u>	<u>578</u>
Net book value					
At 31 March 2017	<u>434</u>	<u>2</u>	<u>34</u>	<u>1</u>	<u>471</u>
At 31 March 2018	<u>428</u>	<u>1</u>	<u>45</u>	<u>1</u>	<u>475</u>

Land and buildings are shown at cost. Land and buildings are represented by the freehold UK head office premises. Included within the cost of land and buildings is £200,000 (2017: £200,000) in respect of land which is not depreciated.

Notes to the financial statements

14. Fixed asset investments

Group - Associate company
Uren Novaberry Sp. z.o.o.

	£'000
Cost at beginning and end of the year	4
Share of post-acquisition reserves	
At beginning of the year	2,033
Group share of net profit for the year	(32)
Exchange adjustment	9
At end of the year	2,010
Net book value	
At 31 March 2018	2,014
At 31 March 2017	2,037
Company	Shares in group undertakings
	£'000
Cost	
At beginning of the year	1,862
At end of the year	1,862

The company has the following investments in subsidiaries:

Name of company	Country of incorporation	Ownership %
Uren Coldstores Sp, z.o.o.	Poland	100
Berries Chile SA	Chile	80
Uren North America LLC	USA	100
Associate company		
Uren Novaberry Sp. z.o.o.	Poland	34

All the group undertakings are engaged in the same principal activities as the parent company. All companies have a financial year end of 31 March except Berries Chile SA, which has a 31 December year end, a legal requirement in Chile. All shares held are ordinary shares. All the subsidiary undertakings are included in the consolidation.

Notes to the financial statements

15. Stocks

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	11,081	10,323	7,024	6,235
Packaging	84	45	-	-
	<u>11,165</u>	<u>10,368</u>	<u>7,024</u>	<u>6,235</u>

In the group accounts stock recognised in cost of sales as an expense in the year was £58,696,000 (2017: £51,066,000). An impairment loss of £439,000 was recognised (2017: £408,000).

In the company accounts stock recognised in cost of sales as an expense in the year was £51,739,000 (2017: £44,663,000). An impairment loss of £237,000 was recognised (2017: £206,246).

16. Debtors

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade debtors	11,972	12,984	10,758	11,977
Amounts owed by group undertakings	-	-	3,299	3,353
Amounts owed by parent	2,935	2,796	2,935	2,796
Other debtors	88	916	16	860
Prepayments and accrued income	301	275	229	157
Other taxation and social security costs	153	201	-	-
Corporation tax debtor	27	-	27	-
Deferred tax asset (note 19)	272	-	142	-
	<u>15,748</u>	<u>17,172</u>	<u>17,406</u>	<u>19,143</u>

The above amounts owed by group undertakings are stated net of provisions. All debts are repayable on demand. An impairment loss of £230,000 was recognised (2017: £169,000) in the group accounts. In the company accounts, an impairment loss of £143,000 was recognised (2017: £149,000).

Notes to the financial statements

17. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Bank overdrafts and borrowings	1,952	1,899	-	842
Invoice discounting	7,979	8,664	7,979	8,644
Trade creditors	5,263	3,492	4,308	2,751
Amounts owed to associate companies	34	174	33	174
Corporation tax creditor	-	57	-	57
Other taxation and social security	1,109	1,005	980	843
Leasing creditor	192	219	-	-
Other creditors	908	345	840	231
Accruals and deferred income	1,291	1,747	1,114	1,549
	<u>18,728</u>	<u>17,602</u>	<u>15,254</u>	<u>15,091</u>

At 31 March 2018 the company's bank borrowings are secured by a charge against the assets of the Uren Food group. At the balance sheet date group borrowings on which security has been given, total £9,931,000 (2017: £10,563,000).

Obligations under finance leases are secured by way of a charge over the relevant assets.

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

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Deferred income	258	174	-	-
Leasing creditor	256	328	-	-
	<u>514</u>	<u>502</u>	<u>-</u>	<u>-</u>

The deferred income represents the capital grant which Uren Coldstores Sp. z o.o. received from the Polish Ministry of Agriculture and Rural Development in 2007 and which is being released to the profit and loss account over the lives of the assets purchased. At 31 March 2018 £10,000 (2017: £49,000) is included in creditors due in less than one year and £258,000 is included above (2017: £173,000).

Obligations under finance leases are secured by way of a charge over the relevant assets.

Notes to the financial statements

19. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group 2018 £'000	Company 2018 £'000
Provision for deferred taxation		
(Liability) at beginning of year	(9)	(126)
Exchange adjustment	14	-
Movement in year - profit and loss	-	-
Movement in year - other comprehensive income	267	267
Asset at end of year	272	142

The deferred tax asset included in the group accounts includes an asset relating to tax losses in Berries Chile and Uren Coldstores. We remain strategically committed to our Polish and Chilean operations but in the light of recent operational losses, it has been assumed that £110,000 (2017: £110,000) of the deferred tax asset will not be recovered in the foreseeable future. We will continue to review this position on a regular basis.

In the company and group accounts, the deferred tax asset includes the deferred tax relating to the profit on the fair value of forward foreign currency contracts.

Notes to the financial statements

20. Capital and reserves

	2018 £'000	2017 £'000
Share capital		
Allotted, called up and fully paid		
Equity: 2,501 Ordinary A shares of £1 each	2,501	2,501
Equity: 2,499 Ordinary B shares of £1 each	2,499	2,499

All shares are classified in shareholders' funds.

The holders of ordinary A and B shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Dividends

After the balance sheet date total dividends of £100,000 equivalent to £20.00 per qualifying ordinary share (2017: £100,000; £20.000 per share) were proposed by the directors. The dividends have not been provided for, as the dividend was not approved before the year end.

21. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Less than one year	77	95	45	62
Between one and five years	60	110	32	52
	<u>137</u>	<u>205</u>	<u>77</u>	<u>114</u>

22. Capital commitments

The group had contracted capital commitments of £36,000 (2017: £Nil). The company had contracted capital commitments of £Nil (2017: £Nil).

23. Contingencies

Uren Food Group Limited has given guarantees to HMRC in relation to its duty deferment bond amounting to £305,000 (2017: £305,000). On 8 October 2014 the company entered into a cross guarantee and fixed and floating charge agreement with Wood Park Foods Limited in favour of Barclays Bank PLC. This guarantees the Uren Food Group Limited bank facilities of £12,000,000. The directors believe the financial condition of the Group is such that this guarantee will not be called upon. There was a liability of £7,979,000 (2017: £9,486,000) at the end of the current financial year.

Notes to the financial statements

24. Related parties

At the beginning and end of the year Mr ACU Evans, an employee and shareholder of Uren Food Group Limited had a 15% interest in Uren Novaberry Sp. z o.o. The company is an associated company of the Uren Group and trades with the group. Uren Novaberry turnover was £5,459,751 for the year ended 31 March 2018 (2017: £6,368,000) of which £913,000 (2017: £859,000) sales were to Uren Food Group Limited. At 31 March 2018 £33,000 was due to the associate from the group (2017: £174,000) as part of normal trading. No amounts were written off the debt due from Uren Novaberry Sp. z o.o. during the year.

During the year, Uren Food Group entered into transactions with Berries Chile SA, a subsidiary, of which it owns 80%, in the ordinary course of business. Purchases from Berries Chile SA in the year were £1,465,000 (2017: £1,361,000). At 31 March 2018 £1,519,000 was due from Berries Chile (2017: £2,112,000).

Transactions with key management personnel

Total compensation to key management personnel in the year amounted to £957,000 (2017: £894,000)

25. Ultimate parent company

The Directors consider the ultimate and immediate parent company to be Wood Park Foods Limited, a company registered in England, after it acquired 50.02% of the share capital of Uren Food Group Limited on 9 October 2014. The company registered address of Wood Park Foods Limited is Wood Park, Neston, Wirral, CH64 7TB.

Wood Park Foods Limited is also the ultimate controlling party of the company and the ultimate controlling related party.