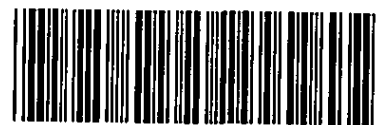


Registered number: 00618045

The Kent Potato Company Ltd

**Abbreviated accounts
for the year ended 31 December 2012**

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The Kent Potato Company Ltd

Company information

Directors

T J A Binet
R E Binet
B C Hamel
G C Hamel
R J Perchard
M A Renouard

Registered number

00618045

Registered office

The Pack House
Wantsum Way
St Nicholas at Wade
Birchington
Kent
CT7 0NE

Independent auditors

Chavereys
Chartered Accountants and Statutory Auditors
Mall House
The Mall
Faversham
Kent
ME13 8JL

The Kent Potato Company Ltd

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Balance sheet	6
Cash flow statement	7
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The Kent Potato Company Ltd

Directors' report for the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activity

The principal activity of the company continues to be the operation of a potato business.

Business review

Over the last 3 years the company has invested over £3m into new cold stores and packing equipment. The results for this year reflect the very difficult harvest conditions experienced by most UK growers and a very difficult supply position. The directors have been successful in winning additional large customer contracts in the year to 31 December 2013. There have also been improvements in the packing line efficiency through significantly higher throughput. The directors believe the company is well placed to take advantage of the improved market conditions and expect the significant investments to result in considerably improved results in 2013.

Results

The loss for the year, after taxation, amounted to £1,131,243 (2011 - loss £527,505).

Directors

The directors who served during the year were

T J A Binet
R E Binet
B C Hamel
G C Hamel
R J Perchard
M A Renouard

The Kent Potato Company Ltd

Directors' report for the year ended 31 December 2012

Land and buildings

The company's interest in freehold land and buildings was valued by Knight Frank LLP on 20 February 2008, at which date the open market value amounted to £8,600,000. During 2009 assets valued in 2008 at £5,990,000 were sold as part of the disposal of the arable and rental operations.

The directors believe that the valuation at 31 December 2012 for the remaining land and buildings would not be materially different to that at 20 February 2008.

Events since the end of the year

The directors are of the opinion that there are no significant events which should be disclosed in these financial statements.

Financial instruments

The company finances its operations through a mixture of retained profits, funds from other members of the Jersey Royal (Potato Marketing) Company Limited group and, where necessary to fund expansion or capital expenditure programmes, bank borrowings.

The management's objectives are to

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

Hedge accounting is not used by the company.

All the company's borrowings are obtained from standard bank loans. The company has purchased an interest rate cap to reduce its exposure to interest rate rises.

The company's policy is to hold surplus funds held primarily in short term variable rate deposit accounts. The directors believe this gives them the flexibility to release cash resources at short notice and allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable European banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

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

The Kent Potato Company Ltd

**Directors' report
for the year ended 31 December 2012**

Auditors

The auditors, Chavereys, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 17 January 2014 and signed on its behalf

R Binet

R E Binet
Director

The Kent Potato Company Ltd

Independent auditors' report to The Kent Potato Company Ltd under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of The Kent Potato Company Ltd for the year ended 31 December 2012 prepared under section 396 of the Companies Act 2006

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with the regulations made under that section.



Martyn Crawley (senior statutory auditor)
for and on behalf of

Chavereys
Chartered Accountants
and Statutory Auditors
Faversham

17 January 2014

The Kent Potato Company Ltd

Abbreviated profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1	8,706,924	6,577,868
Gross loss		(701,753)	(55,587)
Administrative expenses		(378,367)	(487,658)
Operating loss	2	(1,080,120)	(543,245)
Interest receivable and similar income		-	252
Interest payable and similar charges	5	(51,123)	(54,512)
Loss on ordinary activities before taxation		(1,131,243)	(597,505)
Tax on loss on ordinary activities	6	-	70,000
Loss for the financial year	14	(1,131,243)	(527,505)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 8 to 17 form part of these financial statements

The Kent Potato Company Ltd
Registered number: 00618045

Abbreviated balance sheet
as at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	7		36,800		49,067
Tangible assets	8		5,518,266		5,192,584
			<u>5,555,066</u>		<u>5,241,651</u>
Current assets					
Stocks	9	1,085,643		419,490	
Debtors	10	1,508,419		809,741	
Cash at bank and in hand		96,083		177,208	
			<u>2,690,145</u>	<u>1,406,439</u>	
Creditors: amounts falling due within one year	11	(6,370,340)		(3,817,642)	
Net current liabilities			<u>(3,680,195)</u>		<u>(2,411,203)</u>
Total assets less current liabilities			<u>1,874,871</u>		<u>2,830,448</u>
Accruals and deferred income	12		(476,346)		(300,680)
Net assets			<u>1,398,525</u>		<u>2,529,768</u>
Capital and reserves					
Called up share capital	13		8,800		8,800
Revaluation reserve	14		2,018,753		2,018,753
Profit and loss account	14		(629,028)		502,215
Shareholders' funds	15		<u>1,398,525</u>		<u>2,529,768</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 17 January 2014

R Binet

R E Binet
Director

The notes on pages 8 to 17 form part of these financial statements

The Kent Potato Company Ltd

Abbreviated cash flow statement for the year ended 31 December 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	16	920,492	<i>1,103,622</i>
Returns on investments and servicing of finance	17	(51,123)	<i>(54,260)</i>
Taxation		-	<i>35,727</i>
Capital expenditure and financial investment	17	(563,494)	<i>(1,150,625)</i>
Cash inflow/(outflow) before financing		305,875	<i>(65,536)</i>
Financing	17	(387,000)	<i>(230,500)</i>
(Decrease) in cash in the year		(81,125)	<i>(296,036)</i>

Reconciliation of net cash flow to movement in net funds/debt for the year ended 31 December 2012

	2012 £	2011 £
(Decrease) in cash in the year	(81,125)	<i>(296,036)</i>
Cash outflow from decrease in debt and lease financing	387,000	<i>230,500</i>
Movement in net debt in the year	305,875	<i>(65,536)</i>
Net debt at 1 January 2012	(1,292,292)	<i>(1,226,756)</i>
Net debt at 31 December 2012	(986,417)	<i>(1,292,292)</i>

The notes on pages 8 to 17 form part of these financial statements

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

1 Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable accounting standards

1.2 Going concern

The company has net current liabilities and relies upon the continued support of its ultimate parent company

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a suitable allowance to recognise uncertainties remaining in the completion of the obligations

1.4 Capital grants

Grants received in relation to capital expenditure are capitalised and released in equal annual instalments over the life of the asset

1.5 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates to write off the cost of these assets over their expected useful lives on the following basis

Trademarks	- 5 years
------------	-----------

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Agricultural buildings	- 2% straight line
Plant and machinery	- 10 - 33% straight line
Motor vehicles	- 33% straight line

1.7 Revaluation of tangible fixed assets

Individual freehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

1. Accounting policies (continued)

1.8 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

2 Operating loss

The operating loss is stated after charging

	2012 £	2011 £
Amortisation - intangible fixed assets	12,267	12,266
Depreciation of tangible fixed assets		
- owned by the company	428,462	367,768
Auditors' remuneration	9,668	12,231
Operating lease rentals		
- plant and machinery	45,520	32,140
	<u> </u>	<u> </u>

3. Staff costs

Staff costs, including directors' remuneration, were as follows

Wages and salaries	1,607,364	1,211,566
Social security costs	142,300	130,428
Other pension costs	24,109	29,378
	<u> </u>	<u> </u>
	1,773,773	1,371,372
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows

	No	No
Packhouse	72	56
Administration	11	12
Directors	6	6
	<u> </u>	<u> </u>
	89	74
	<u> </u>	<u> </u>

4 Directors' remuneration

	2012 £	2011 £
Remuneration	-	18,000
	<u> </u>	<u> </u>
Compensation for loss of office	-	30,000
	<u> </u>	<u> </u>

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

5. Interest payable

	2012 £	2011 £
On bank loans and overdrafts	43,188	46,577
Interest rate cap amortisation	7,935	7,935
	<u>51,123</u>	<u>54,512</u>

6. Taxation

Analysis of tax (credit) in the year

Deferred tax

Origination and reversal of timing differences	-	(70,000)
	<u>-</u>	<u>(70,000)</u>

Tax on loss on ordinary activities

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of Corporation Tax in the UK of 20.00% (2011 - 20.25%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(1,131,243)</u>	<u>(597,505)</u>
Loss on ordinary activities multiplied by the hybrid rate of Corporation Tax in the UK of 20.00% (2011 - 20.25%)	(226,249)	(120,995)
Effects of:		
Unrelieved tax losses carried forward	226,249	120,995
	<u>-</u>	<u>-</u>

Current tax (credit) for the year (see note above)

Factors that may affect future tax charges

The company has tax losses totalling approximately £1,120,000 available to carry forward against future trading profits

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

7. Intangible fixed assets

	Trademarks £
Cost	
At 1 January 2012 and 31 December 2012	61,333
Amortisation	
At 1 January 2012	12,266
Charge for the year	12,267
At 31 December 2012	24,533
Net book value	
At 31 December 2012	36,800
<i>At 31 December 2011</i>	<i>49,067</i>

8. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2012	3,686,611	3,233,468	100,181	7,020,260
Additions	506,755	247,389	-	754,144
At 31 December 2012	4,193,366	3,480,857	100,181	7,774,404
Depreciation				
At 1 January 2012	228,227	1,543,105	56,344	1,827,676
Charge for the year	78,089	329,769	20,604	428,462
At 31 December 2012	306,316	1,872,874	76,948	2,256,138
Net book value				
At 31 December 2012	3,887,050	1,607,983	23,233	5,518,266
<i>At 31 December 2011</i>	<i>3,458,384</i>	<i>1,690,363</i>	<i>43,837</i>	<i>5,192,584</i>

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

8. Tangible fixed assets (continued)

Included in land and buildings is freehold land valued at £20,000 (2011 £20,000) The historic cost of this land is £nil (2011 £nil) Freehold land is not depreciated

The land and buildings were revalued on 20 February 2008 by Knight Frank LLP, Chartered Surveyors, on a market value basis in accordance with RICS Valuation Standards (Sixth Edition) The directors believe that the valuation at 31 December 2012 would not be materially different to that at 20 February 2008

Cost or valuation at 31 December 2012 is as follows

	Land and buildings £
At cost	1,573,366
At valuation	
Market value	2,620,000
	<u>4,193,366</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2012 £	2011 £
Cost	2,999,112	2,492,571
Accumulated depreciation	(1,142,578)	(1,063,079)
Net book value	<u>1,856,534</u>	<u>1,429,492</u>

9 Stocks

Stocks and consumables	744,872	180,698
Cultivations and work in progress	340,771	238,792
	<u>1,085,643</u>	<u>419,490</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

10. Debtors

	2012	2011
	£	£
Trade debtors	1,149,333	470,174
Other debtors	142,161	297,822
Prepayments and accrued income	216,925	41,745
	<u>1,508,419</u>	<u>809,741</u>

11. Creditors' amounts falling due within one year

Bank loans and overdrafts	1,082,500	1,169,500
Other loans	-	300,000
Trade creditors	1,506,549	616,974
Amounts owed to group undertakings	3,000,530	1,305,779
Other taxation and social security	35,173	59,417
Other creditors	25,485	41,373
Accruals and deferred income	720,103	324,599
	<u>6,370,340</u>	<u>3,817,642</u>

The bank loan is secured by fixed and floating charges

In August 2010 the company obtained a variable rate bank loan of £1,300,000 to fund new cold storage facilities and packing machinery. The loan is repayable over 15 years in half yearly instalments at an interest rate of 3.25% over bank base rate and is secured by a debenture and mortgage over the freehold land and property, book debts and all other assets of the company. The Jersey Royal Company Ltd (a subsidiary business of the ultimate parent company) has guaranteed liabilities of the company up to £250,000.

12. Accruals and deferred income

	2012	2011
	£	£
Government grants	<u>476,346</u>	<u>300,680</u>

13. Share capital

Allotted, called up and fully paid		
8,800 Ordinary shares of £1 each	<u>8,800</u>	<u>8,800</u>

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

14. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2012	2,018,753	502,215
Loss for the financial year	-	(1,131,243)
At 31 December 2012	<u>2,018,753</u>	<u>(629,028)</u>

15. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	2,529,768	3,057,273
Loss for the financial year	(1,131,243)	(527,505)
Closing shareholders' funds	<u>1,398,525</u>	<u>2,529,768</u>

16. Net cash flow from operating activities

Operating loss	(1,080,120)	(543,245)
Amortisation of intangible fixed assets	12,267	12,266
Depreciation of tangible fixed assets	428,462	367,768
Loss on disposal of tangible fixed assets	-	3,762
Amortisation of grants	(14,984)	(14,984)
Increase in stocks	(666,152)	(215,634)
(Increase)/decrease in debtors	(698,674)	150,779
Increase in creditors	2,939,693	1,342,910
Net cash inflow from operating activities	<u>920,492</u>	<u>1,103,622</u>

17. Analysis of cash flows for headings netted in cash flow statement

Returns on investments and servicing of finance

Interest received	-	252
Interest paid	(51,123)	(54,512)
Net cash outflow from returns on investments and servicing of finance	<u>(51,123)</u>	<u>(54,260)</u>

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

17. Analysis of cash flows for headings netted in cash flow statement (continued)

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(61,333)
Purchase of tangible fixed assets	(754,144)	(1,111,040)
Sale of tangible fixed assets	-	7,000
Government grants received	190,650	14,748
Net cash outflow from capital expenditure	(563,494)	(1,150,625)
Financing		
Repayment of bank loan	(87,000)	(130,500)
Repayment of other loan	(300,000)	(100,000)
Net cash outflow from financing	(387,000)	(230,500)

18. Analysis of changes in net debt

	1 January 2012 £	Cash flow £	31 December 2012 £
Cash at bank and in hand	177,208	(81,125)	96,083
Debt:			
Debts due within one year	(1,469,500)	387,000	(1,082,500)
Net debt	(1,292,292)	305,875	(986,417)

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £24,109 (2011 - £29,738). Contributions totalling £2,867 (2011 - £3,064) were payable to the fund at the balance sheet date and are included in creditors.

20. Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date:				
Within 1 year	-	-	-	13,697
Between 2 and 5 years	-	-	45,669	-
After more than 5 years	15,000	15,000	-	-

The Kent Potato Company Ltd

Notes to the abbreviated accounts for the year ended 31 December 2012

21. Ultimate parent undertaking and controlling party

The company is a subsidiary of J R St Nicholas Limited, a company registered in England and Wales

The ultimate controlling party is The Jersey Royal (Potato Marketing) Ltd, a company registered in Jersey