

Registrar's Copy

A Gomez Limited

Report and Financial Statements

Year Ended

30 September 2017

Company Number 2446884

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A Gomez Limited

Report and financial statements for the year ended 30 September 2017

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Directors

T J Parmenter
G Gomez Yelo
J Hernandez

Legal form

Private company limited by shares

Secretary and registered office

S Gretton, Coldharbour Lane, Bridge, Canterbury, Kent, CT4 5HL

Company number

2446884

Auditors

BDO LLP, Level 12, Thames Tower, Station Road, Reading, Berkshire, RG1 1LX

A Gomez Limited

Strategic report for the year ended 30 September 2017

The directors present their strategic report together with the audited consolidated financial statements for the year ended 30 September 2017.

Principal activities, review of business and future developments

The Company is principally engaged in the procurement, packing and distribution of fresh produce in the UK, Ireland and mainland Europe. There have been no changes in the company's activities in the year under review.

The Company's trading subsidiary, Gomez Fresh BV, is based in the Netherlands. Gomez Fresh BV's principal activity is in line with the group, in the procurement, packaging and distribution of fresh produce.

The consolidated income statement is set out on page 8 and shows turnover for the year of £176,446,718 (2016 - £152,541,570) and profit after taxation for the year of £3,965,568 (2016 - £4,754,483).

We are pleased with the growth in the company's revenue for FY 2017, which has built upon the investments made to the operational capacity of the business in prior years. We hope to be able to build upon this success over future periods, looking to the gross margin level to translate directly to operational profits where much investment necessary to stabilise the operational cost base was completed in prior years.

Key performance indicators

The directors consider turnover, gross margin and profit before tax to be the key performance indicators of the business. Details are set out below:

	2017	2016	Movement
Turnover	£176,446,718	£152,541,570	£23,905,148
Gross margin	6.6%	9.2%	(2.6%)
Profit before tax	£4,873,510	£5,996,105	(£1,122,595)

Turnover has increased from the prior year by 16% reflecting a very successful year. Based on the first quarter results and projected future orders the directors anticipate a similar performance for 2018.

Details of turnover by geographical segment are given in note 3 to the financial statements. Gross profit margin has reduced on the prior year to 6.6%, which the board are content with given the current economic environment, and pressure to reduce price. Effort has been made through improved processing efficiencies, and economies of scale based on the increased trade in the year, in order to try to maintain the gross margin levels.

Principal risks and uncertainties

The market for the procurement, packing and distribution of fresh produce in the UK remains highly competitive.

Price risk

Although reliant on a small number of customers, which is common in the industry, our principal customer is a blue chip, highly profitable multiple retailer, who we have worked with for a number of years, and with whom we enjoy an excellent working relationship. The company seeks to manage the risk of losing customers to key competitors by the provision of added value services to both our suppliers and customers, whilst maintaining our strong relationships with both.

A Gomez Limited

Strategic report for the year ended 30 September 2017 (continued)

Principal risks and uncertainties (continued)

Foreign exchange risk

Although all of our procuring, and some of our trading, occurs outside the UK, we primarily work in sterling, but where other currencies are used, we match the transactions in the appropriate currencies, thus avoiding any material exchange risks. In the last year we have seen an increase in payments to suppliers in euros and the risk is managed by securing euros at rates that deliver costs that enable acceptable margins

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by way of a Credit Insurance Policy with a major insurer, who are particularly experienced in our industry. In addition the majority of sales are with a major blue chip retailer with whom credit risk is considered to be remote.

Cash flow and liquidity risk

The company has been, and continues to be, profitable with a positive cash flow generated on a yearly basis. This foundation of having high cash resources available has meant that the company has been able to operate and grow without the aid of external funding or loans, meaning that the risk of cash flow and liquidity are considered to be low. Despite this, the cash flows of the business are monitored carefully in the event of any short term deficiencies.

Business risk

The Company faces a risk that the quality of its produce and service does not meet the standards of its customers, which in turn would have an impact on ongoing relationships. The Company manages this risk by continually investing in its infrastructure to ensure that all produce received is stored and dispatched in the highest quality environment possible and meets all the externally required standards of its customers. Regular reviews are performed to ensure compliance to manage this risk. We source all produce from trusted growers with whom we have longstanding relationships.

Brexit

Brexit has had an impact on our purchase costs for imported fruit as since Brexit the exchange rates between pound sterling and the euro have been less favourable to import costs. All the while political decisions have a bearing on the foreign currency market this remains a risk which the business closely monitors. Longer term as the business employs a lot of foreign nationals we recognise the risk that political decisions around their right to work in the UK may impact our business.

By order of the Board

S Gretton
Secretary



Date: 17 July 2018

A Gomez Limited

Report of the directors for the year ended 30 September 2017

The directors present their report together with the audited financial statements for the year ended 30 September 2017.

Results and dividends

The consolidated income statement is set out on page 8 and shows the profit for the year.

Dividends were paid in the year in respect of prior year declared dividends of £3,000,000 (2016 - £3,100,000). A final dividend has been declared after the year end in respect of 2017 recommending a dividend of £2,600 per each class of ordinary share (2016 - £3,000 per share) totalling £2,600,000 (2016 - £3,000,000).

Future prospects

The future of A Gomez Limited has been discussed in the strategic report, and the directors look to build on the investments in the business from the prior year, which have enabled the company to succeed in its ambitious growth strategy to date. The directors believe these investments ensure the company will continue to meet the demands of our customers in future years, with whom we continue to develop our strong business relationships.

Following the year end, the Company has established a new subsidiary, Jolly Tom Limited. The company has yet to begin trading, but offers the prospect for A Gomez to establish its own UK based supplier of fruit.

Financial risk management

The financial risk management of the business, and of its exposure to price, credit, liquidity and cash flow risk is described in the strategic report under the heading 'Principal risks and uncertainties'.

Post balance sheet events

Post balance sheet events have been discussed further in note 22 to the financial statements.

Employment of disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company.

Employee involvement

The flow of information to staff has been maintained by memorandums and information posted on the staff noticeboard.

Political donations

During the year no political donations were made by group companies (2016 - £Nil).

Directors

The directors of the Company during the year were:

T J Parmenter
G Gomez Yelo
J Hernandez

A Gomez Limited

Report of the directors for the year ended 30 September 2017 (continued)

Directors' indemnity

The Company has indemnified the directors of the company against liability in respect of proceedings brought about by third parties, subject to conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the period and at the date of signing these accounts.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

S Gretton
Secretary



Date: 17 July 2018

A Gomez Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A GOMEZ LIMITED

Opinion

We have audited the financial statements of A Gomez Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements 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 the Company's affairs as at 30 September 2017 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 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.

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 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors and Strategic report 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.

A Gomez Limited

Independent auditor's report (continued)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and report of the Directors.

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement within the Report of the Directors, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

A Gomez Limited

Independent auditor's report (*continued*)

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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Nick Gibb (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Reading

Date: 19 July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

A Gomez Limited

Consolidated income statement for the year ended 30 September 2017

	Note	2017 £	Restated (Note 2) 2016 £
Turnover	4	176,446,718	150,266,814
Cost of sales		(164,742,582)	(136,192,082)
Gross profit		11,704,136	14,074,732
Administrative expenses		(6,793,000)	(8,081,289)
Operating profit	5	4,911,136	5,993,443
Interest receivable		12,374	33,689
Interest payable		-	(27)
Other finance costs	8	(50,000)	(31,000)
Profit on ordinary activities before taxation		4,873,510	5,996,105
Taxation on profit on ordinary activities	9	(907,942)	(1,241,622)
Profit on ordinary activities after taxation		3,965,568	4,754,483
Profit for the year attributable to:			
Owners of the parent		3,964,408	4,747,177
Non-controlling interest		1,160	7,306
		3,965,568	4,754,483

All amounts relate to continuing activities.

A Gomez Limited

Consolidated statement of comprehensive income for the year ended 30 September 2017

	Note	2017 £	2016 £
Profit for the financial year		3,965,568	4,754,483
Actuarial gain / (loss) on pension scheme		718,000	(1,464,000)
Deferred taxation in respect of gain/(loss) on pension scheme		(134,130)	199,750
Exchange translation differences on consolidation		19,683	80,997
Other comprehensive income for the year		603,553	(1,183,253)
Total comprehensive income for year		4,569,121	3,571,230
Profit for the financial year attributable to:			
Non-controlling interest		1,160	7,306
Owners of the parent company		3,964,408	4,747,177
		3,965,568	4,754,483
Total comprehensive income attributable to:			
Non-controlling interest		8,049	35,655
Owners of the parent company		4,561,072	3,535,575
		4,569,121	3,571,230

The notes on pages 15 to 35 form part of these financial statements.

A Gomez Limited

Consolidated balance sheet at 30 September 2017

Company number 2446884	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		13,858,596		13,445,812
Current assets					
Stocks	13	1,421,282		1,104,551	
Debtors	14	12,177,244		8,784,623	
Derivatives held at fair value		615,965		-	
Cash at bank and in hand		7,302,609		11,251,187	
		<u>21,517,100</u>			
				21,140,361	
Creditors: amounts falling due within one year	15	<u>(17,396,859)</u>		<u>(17,563,207)</u>	
Net current assets			4,120,241		3,577,154
Total assets less current liabilities			<u>17,978,837</u>		<u>17,022,966</u>
Provisions for liabilities	16		<u>(398,374)</u>		<u>(222,623)</u>
Net assets excluding pension scheme liabilities			<u>17,580,463</u>		<u>16,800,343</u>
Pension scheme liabilities	18		<u>(1,466,000)</u>		<u>(2,255,000)</u>
Net assets including pension scheme liabilities			<u>16,114,463</u>		<u>14,545,343</u>
Capital and reserves					
Called up share capital	19		1,000		1,000
Profit and loss account			15,834,128		14,273,057
Equity attributable to owners of the parent company			<u>15,835,128</u>		<u>14,274,057</u>
Non-controlling interests			<u>279,335</u>		<u>271,286</u>
			<u>16,114,463</u>		<u>14,545,343</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17 July 2018.

T J Parmenter
Director



The notes on pages 15 to 35 form part of these financial statements.

A Gomez Limited

Consolidated statement of changes in equity for the year ended 30 September 2017

	Share capital £	Profit and loss account £	Non- controlling interests £	Total equity £
1 October 2015	1,000	13,837,482	300,246	14,138,728
Comprehensive income for the year:				
Profit for the year	-	4,747,177	7,306	4,754,483
Currency translation differences	-	52,648	28,349	80,997
Actuarial gains/(losses) on pension scheme net of tax	-	(1,264,250)	-	(1,264,250)
Other comprehensive income for the year	-	(1,211,602)	28,349	(1,183,253)
Total comprehensive income for the year	-	3,535,575	35,655	3,571,230
Contributions by and distributions to owners				
Dividends	-	(3,100,000)	-	(3,100,000)
Distribution to non-controlling interest	-	-	(64,615)	(64,615)
Total contributions by and distributions to owners	-	(3,100,000)	(64,615)	(3,164,615)
30 September 2016	1,000	14,273,057	271,286	14,545,343
	Share capital £	Profit and loss account £	Non- controlling interests £	Total equity £
1 October 2016	1,000	14,273,057	271,286	14,545,343
Comprehensive income for the year:				
Profit for the year	-	3,964,408	1,160	3,965,568
Currency translation differences	-	12,793	6,889	19,682
Actuarial gains on pension scheme net of tax	-	583,870	-	583,870
Other comprehensive income for the year	-	596,663	6,889	603,552
Total comprehensive income for the year	-	4,561,071	8,049	4,569,120
Contributions by and distributions to owners				
Dividends	-	(3,000,000)	-	(3,000,000)
Total contributions by and distributions to owners	-	(3,000,000)	-	(3,000,000)
30 September 2017	1,000	15,834,128	279,335	16,114,463

The notes on pages 15 to 35 form part of these financial statements.

A Gomez Limited

Consolidated statement of cash flows for the year ended 30 September 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		3,965,568	4,754,483
Adjustments for:			
Other finance costs		50,000	31,000
Taxation expense		907,942	1,241,622
Net interest receivable		(12,374)	(33,662)
Depreciation, impairment and amortisation of fixed assets		1,295,779	1,240,145
Difference between net pension expense and cash contribution		(121,000)	(158,000)
(Increase) / decrease in trade and other debtors		(3,392,622)	225,504
Loss on sale of fixed assets		-	24,130
Increase in stocks		(316,731)	(195,936)
Increase in trade and other creditors		205,268	2,360,344
Fair value movement on derivatives		(615,965)	-
Foreign exchange movements		35,118	77,701
Cash from operations		2,000,982	9,567,331
Interest received		12,374	33,662
Taxation paid		(1,254,951)	(1,102,873)
Net cash generated from operating activities		758,405	8,498,120
Cash flows from investing activities			
Purchases of tangible fixed assets		(1,706,983)	(2,029,886)
Net cash from investing activities		(1,706,983)	(2,029,886)
Cash flows from financing activities			
Equity dividends paid		(3,000,000)	(3,100,000)
Distributions to non-controlling interests		-	(64,615)
Net cash used in financing activities		(3,000,000)	(3,064,615)
Net (decrease)/increase in cash and cash equivalents		(3,948,578)	3,303,619
Cash and cash equivalents at beginning of year		11,251,187	7,947,568
Cash and cash equivalents at end of year		7,302,609	11,251,187
Cash and cash equivalents comprise:			
Cash at bank and in hand		7,302,609	11,251,187
		7,302,609	11,251,187

The notes on pages 15 to 35 form part of these financial statements.

A Gomez Limited

Company balance sheet at 30 September 2017

Company number 2446884	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		13,779,489		13,345,414
Fixed asset investments	12		19,600		19,600
			<hr/>		<hr/>
			13,799,089		13,365,014
Current assets					
Stocks	13	1,383,918		1,066,778	
Debtors	14	11,559,143		8,381,804	
Derivatives held at fair value		615,965		-	
Cash at bank and in hand		6,860,425		10,735,387	
		<hr/>		<hr/>	
		20,419,451		20,183,969	
Creditors: amounts falling due within one year	15	(16,949,808)		(17,144,679)	
		<hr/>		<hr/>	
Net current assets			3,469,643		3,039,290
			<hr/>		<hr/>
Total assets less current liabilities			17,268,732		16,404,304
			<hr/>		<hr/>
Provisions for liabilities	16		(398,374)		(222,623)
			<hr/>		<hr/>
Net assets excluding pension scheme liabilities			16,870,358		16,181,681
			<hr/>		<hr/>
Pension scheme liabilities	18		(1,466,000)		(2,255,000)
			<hr/>		<hr/>
Net assets including pension scheme liabilities			15,404,358		13,926,681
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	19		1,000		1,000
Profit and loss account			15,403,358		13,925,681
			<hr/>		<hr/>
Shareholders' funds			15,404,358		13,926,681
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 17 July 2018.

T J Parmenter
Director



The profit and loss account of the parent is not presented in these financial statements as permitted by section 408 of the Companies Act 2006. The group profit for the year includes £3,893,807 attributable to the parent company.

The notes on pages 15 to 35 form part of these financial statements.

A Gomez Limited

Company statement of changes in equity for the year ended 30 September 2017

	Share capital £	Profit and loss account £	Total equity £
1 October 2015	1,000	13,467,570	13,468,570
Comprehensive income for the year:			
Profit for the year	-	4,822,361	4,822,361
Actuarial gains/(losses) on pension scheme	-	(1,264,250)	(1,264,250)
Other comprehensive income for the year	-	(1,264,250)	(1,264,250)
Total comprehensive income for the year	-	3,558,111	3,558,111
Contributions by and distributions to owners			
Dividends	-	(3,100,000)	(3,100,000)
Total contributions by and distributions to owners	-	(3,100,000)	(3,100,000)
30 September 2016	1,000	13,925,681	13,926,681
	Share capital £	Profit and loss account £	Total equity £
1 October 2016	1,000	13,925,681	13,926,681
Comprehensive income for the year:			
Profit for the year	-	3,893,807	3,893,807
Actuarial gains on pension scheme	-	583,870	583,870
Other comprehensive income for the year	-	583,870	583,870
Total comprehensive income for the year	-	4,477,677	4,477,677
Contributions by and distributions to owners			
Dividends	-	(3,000,000)	(3,000,000)
Total contributions by and distributions to owners	-	(3,000,000)	(3,000,000)
30 September 2017	1,000	15,403,358	15,404,358

The notes on pages 15 to 35 form part of these financial statements.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017

1 Accounting policies

A Gomez Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the Strategic report.

Basis of preparation

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the results of A Gomez Limited and all of its subsidiary undertakings as at 30 September 2017.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax. Sales of fruit are recognised on delivery to the customer. Sales of warehouse and related services to growers are recognised at the time the service is provided. Services provided but not invoiced at the year end are accrued and included within other debtors.

Where sales relate only to a recharge of costs incurred by the company at no profit, the cost and related recharge have been offset within cost of sales.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

1 Accounting policies (*continued*)

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	2% straight line
Plant and machinery	-	16 2/3% reducing balance
Motor vehicles	-	33 1/3% reducing balance
Furniture, fixtures and equipment	-	10% - 20% reducing balance
Computer equipment	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the Statement of comprehensive income.

Gomez Fresh B.V., the company's trading subsidiary, charges depreciation at 20% straight-line over the life of all of its assets. The directors do not consider the difference to be material and therefore have not adjusted for the difference on consolidation.

Investments

Fixed asset investments are carried at cost less provisions for any permanent diminution in value. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Stocks of fruit, in respect of which the company has taken over title and the risks and rewards of ownership, are included in stock at cost of the fruit plus attributable warehouse and related services provided.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Income statement.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

1 Accounting policies (*continued*)

Foreign currency

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Forward contracts, as a derivative, are measured at fair value through profit or loss. Hedge accounting is not applied.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets

The annual rentals for operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 *(continued)*

1 Accounting policies *(continued)*

Defined benefit pension plan (continued)

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'other finance costs'.

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the obligation can be reliably estimated.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Non-controlling interests represents the element of the group's historical profits attributable to non-controlling shareholders of the group's subsidiaries.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

2 Prior year restatement

As part of the Company's business model, internally recognised costs of handling and distributing fruit are offset against certain supplier invoices. In previous years these reductions had been recognised as part of revenue. During the year, this accounting treatment was reassessed and it was determined that the accounting of these reductions to supplier costs should more appropriately be recognised as an offset against cost of sales. As a result, revenue and cost of sales for the year ended 30 September 2016 have both been reduced by £2,274,754. This adjustment is a presentational reclassification only, so there is no impact on the gross profit, net profit, cash flows or net assets of the Group in either the current or prior year.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine the appropriate underlying assumptions of the defined benefit pension scheme and its related pension assets and liabilities. In doing this the directors utilise the expertise of a third party actuary in order to agree these judgements.
- Establishing the appropriate fair value of financial instruments held at fair value through profit or loss. In doing this a third party valuation has been provided and reassessed by management.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 11)*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Defined benefit pension (see note 18)*

The net pension liability as at 30 September 2017 was £1,466,000 (2016 - £2,255,000). Estimation of the net liability to pay pensions depends on a number of complex judgements relating to: the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on investments. The Company has engaged DP Administration Limited, a firm of consulting actuaries, to provide expert advice about the assumptions to be applied.

Variations in the key assumptions will have the following impact on the net pension liability:

- a 0.5% increase in the discount rate will reduce the net pension liability by 7.5%
- a 0.5% increase in the rate of inflation will increase the net liability by 5.7%
- a decrease in the mortality rate % of base of 90% by 5% will increase the net pension liability by 1.9%.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

4 Turnover

	2017 £	2016 Restated £
Analysis by geographical market:		
United Kingdom & Ireland	173,078,948	149,377,012
Europe	3,367,771	889,802
	<u>176,466,718</u>	<u>150,266,814</u>

Turnover is wholly attributable to the principal activity of the company.

5 Operating profit

	2017 £	2016 £
This has been arrived at after charging/(crediting):		
Inventory recognised as an expense	145,055,338	125,915,300
Depreciation of tangible fixed assets	1,295,779	1,240,145
Hire of plant and machinery - operating leases	243,401	222,885
Hire of other assets - operating leases	126,879	186,329
Auditors' remuneration:		
- fees payable to the company's auditor for the audit of the company's annual accounts	41,100	43,200
- accounting services	3,590	3,500
- taxation services	12,600	11,750
- other services	7,325	7,200
Defined benefit pension cost (see below)	157,000	157,000
Loss on disposal of fixed assets	-	24,130
Gain on forward contract valuation	(615,965)	-
	<u>157,000</u>	<u>157,000</u>
Defined benefit pension costs charged in arriving at the operating profit comprise the following:		
Current service cost	157,000	157,000

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

6 Employees	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Staff costs (including directors) consist of:				
Wages and salaries	16,671,609	13,297,581	16,263,360	13,103,003
Social security costs	1,197,625	1,033,182	1,175,617	1,012,325
Other pension costs	575,075	218,467	207,363	212,954
	18,444,309	14,549,230	17,646,340	14,328,282

The average number of employees (including directors) during the year was as follows:

	Group 2017 Number	Group 2016 Number	Company 2017 Number	Company 2016 Number
Directors	4	3	3	3
Administration and sales	49	42	47	39
Warehouse	677	481	677	481
	730	526	727	523

7 Directors' remuneration

	2017 £	2016 £
Directors' emoluments	726,049	756,322

There was one director in the company's defined benefit pension scheme during the year (2016 - one).

The total amount payable to the highest paid director in respect of emoluments and amounts receivable under long term incentive schemes was £726,049 (2016 - £756,322). They are a member of a defined benefit scheme, under which the accrued pension entitlement at the year-end was £189,392 (2016 - £180,314).

8 Other finance costs

	2017 £	2016 £
Net interest on net defined benefit pension liability	(50,000)	(31,000)

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

9 Taxation on profit on ordinary activities

	2017 £	2016 £
<i>Current tax</i>		
UK corporation tax on profits of the year	882,752	1,230,373
Adjustments in respect of prior periods	(868)	70,107
Overseas tax	(15,563)	(15,934)
	866,322	1,284,546
<i>Deferred tax</i>		
Origination and reversal of timing differences	40,885	54,902
Adjustments in respect of prior periods	736	(1,028)
Effect of tax rate change on opening balances	-	(96,798)
	907,942	1,241,622

The tax assessed for the year is lower (2016 - higher) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	4,873,510	5,996,105
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	950,334	1,199,221
Effects of:		
Expenses not deductible for tax purposes	6,625	11,557
Fixed asset differences	117,661	120,850
Income not chargeable for tax purposes (dividend income)	(120,105)	(24,000)
Adjustments to tax charge in respect of prior periods	(868)	70,107
Adjustments to deferred tax charge in respect of prior periods	736	(1,028)
Amounts charged to other comprehensive income	140,000	(292,800)
Deferred tax charged to other comprehensive income	(134,130)	199,750
Adjust closing deferred tax average to 19.5%	(58,552)	(39,286)
Adjust opening deferred tax average to 19.5%	32,829	-
Overseas tax charge	(15,563)	(15,934)
Overseas tax charge adjustments, reliefs and transfers	(11,025)	13,185
Tax charge for year	907,942	1,241,622

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 *(continued)*

9 Taxation on profit on ordinary activities *(continued)*

The group has recognised a deferred tax liability of £398,374 (2016 - £222,623), net of deferred tax assets of £257,624 (2016 - £389,176).

Factors affecting future tax charges

The Finance (No 2) Act 2015, enacted on 18 November 2015, included two changes to the future main rate of corporation tax. From 1 April 2017 the rate will reduce from 20% to 19% and from 1 April 2020 the main rate will reduce further to 18%.

The Finance Bill 2016 included a further rate change. The 18% rate enacted in the Finance (No 2) Act 2015 will reduce by 1%, so that from 1 April 2020 the main rate of corporation tax will become 17%. This was substantively enacted on 6 September 2016. For the purposes of deferred tax, the rate changes from 20% to 17% had been substantively enacted before the balance sheet date. This will reduce the company's future current tax charge on profits. The company's deferred tax balances have been reduced accordingly.

10 Dividends

	2017 £	2016 £
Ordinary shares		
Final dividend paid for the prior year of £3,000 (2016 - £3,100) per share	3,000,000	3,100,000

The proposed final dividend of £2,600,000 (2016 - £3,100,000) has not been accrued for as the dividend was declared after the balance sheet date. The total amount of dividends paid directly to directors as shareholders of the company during the year was £420,000 (2016 - £434,000).

A Gomez Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

11 Tangible fixed assets

Group	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<i>Cost</i>						
At 1 October 2016	10,091,572	10,640,872	148,084	3,225,500	1,051,055	25,157,083
Additions	197,796	680,602	-	669,562	159,023	1,706,983
Disposals	-	-	-	-	-	-
Foreign exchange movement	-	-	1,834	1,031	-	2,865
At 30 September 2017	10,289,368	11,321,474	149,918	3,896,093	1,210,078	26,866,931
<i>Depreciation</i>						
At 1 October 2016	2,304,297	6,800,723	60,077	1,646,106	900,068	11,711,271
Provided for the year	182,436	754,968	17,619	240,328	100,427	1,295,778
Disposals	-	-	-	-	-	-
Foreign exchange movement	-	-	214	1,072	-	1,286
At 30 September 2017	2,486,733	7,555,691	77,910	1,887,506	1,000,495	13,008,335
<i>Net book value</i>						
At 30 September 2017	7,802,635	3,765,783	72,008	2,008,587	209,583	13,858,596
At 30 September 2016	7,787,275	3,840,149	88,007	1,579,394	150,987	13,445,812

A Gomez Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

11 Tangible fixed assets (*continued*)

Company	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<i>Cost</i>						
At 1 October 2016	10,091,572	10,640,872	27,306	3,169,753	1,051,055	24,980,558
Additions	197,796	680,602	-	668,336	159,024	1,705,758
At 30 September 2017	10,289,368	11,321,474	27,306	3,838,089	1,210,079	26,686,316
<i>Depreciation</i>						
At 1 October 2016	2,304,297	6,800,723	19,217	1,610,839	900,068	11,635,144
Provided for the year	182,436	754,965	2,697	231,157	100,428	1,271,683
At 30 September 2017	2,486,733	7,555,688	21,914	1,841,996	1,000,496	12,906,827
<i>Net book value</i>						
At 30 September 2017	7,802,635	3,765,786	5,392	1,996,093	209,583	13,779,489
At 30 September 2016	7,787,275	3,840,149	8,089	1,558,914	150,987	13,345,414

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

12 Fixed asset investments

Company	Unlisted subsidiary undertakings £
<i>Cost</i>	
At 1 October 2016 and 30 September 2017	19,600
<i>Provisions</i>	
At 1 October 2016 and 30 September 2017	-
<i>Net book value</i>	
At 30 September 2016 and 30 September 2017	19,600

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Proportion of voting rights and ordinary share Share capital held	Nature of business
Versifresh Limited	England and Wales	100%	Dormant
Gomez Fresh B.V.	Netherlands	65%	Procurement, packing and distribution of fresh produce

In the opinion of the directors the value of each investment is not less than the amount in which it is shown in the Balance Sheet.

The registered office of VersiFresh Limited is Coldharbour Lane, Bridge, Canterbury, Kent, CT4 5HL. The registered office of Gomez Fresh B.V. is Golfslag 39, 2681XV Monster, Netherlands. VersiFresh Limited is a dormant company and thus is exempt from accounts preparation and from filing accounts with the registrar.

13 Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Fruit, packing materials and consumables	1,421,282	1,104,551	1,383,918	1,066,778

There is no material difference between the replacement cost of stocks and the amounts stated above.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

14 Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	10,843,345	7,469,749	10,423,011	7,283,156
Other debtors	1,052,634	1,030,709	870,407	817,759
Prepayments and accrued income	281,265	284,165	265,725	280,889
	<u>12,177,244</u>	<u>8,784,623</u>	<u>11,559,143</u>	<u>8,381,804</u>

All amounts shown under debtors fall due for payment within one year.

15 Creditors: amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	14,598,259	14,500,468	14,071,993	13,875,779
Amounts owed to group undertakings	-	-	376,630	336,067
Corporation tax	483,263	854,879	499,008	872,073
Other taxation and social security	278,551	217,374	269,511	208,517
Other creditors	304,121	138,243	-	-
Accruals and deferred income	1,732,665	1,852,243	1,732,666	1,852,243
	<u>17,396,859</u>	<u>17,563,207</u>	<u>16,949,808</u>	<u>17,144,679</u>

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

16 Provisions for liabilities

Group and Company	Deferred taxation £	
At 1 October 2016		222,623
Charged to profit and loss account		41,621
Charged through other comprehensive income		134,130
		<hr/>
At 30 September 2017		398,374
		<hr/>
<i>Deferred taxation</i>		
	2017 £	2016 £
Fixed asset timing differences	(655,998)	(611,799)
Short term timing differences	8,404	5,826
Deferred tax arising on defined benefit pension liability	249,220	383,350
	<hr/>	<hr/>
	(398,374)	(222,623)
	<hr/>	<hr/>

17 Financial instruments

The group's financial instruments may be analysed as follows:

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	615,965	-
Financial assets measured at amortised cost	19,198,589	19,751,645
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	17,118,309	17,345,833
	<hr/>	<hr/>

Financial assets measured at fair value through profit or loss comprise a number of forward currency contracts. These contracts are derivatives but have not been designated as hedge instruments.

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, tax creditors, other creditors and accruals.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

18 Pensions

Defined contribution scheme

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 pension charge amounted to £277,697 (2016 - £256,209). Contributions amounting to £67,699 (2016 - £80,663) were payable to the fund at the year end and are included in creditors.

Defined benefit scheme

The company's defined benefit pension scheme was established under an irrevocable Deed of Trust for its employees. The scheme is managed by trustees accountable to the pension scheme members.

The pension cost relating to this scheme is assessed every three years in accordance with the advice of a qualified actuary using the attained age method. The most recent completed valuation at 1 October 2016 indicated that, on a basis of service to date and current salaries, the scheme's assets were sufficient to meet its liabilities. This was updated at 30 September 2017 by a qualified independent actuary.

At 30 September 2017 the scheme had assets of approximately £10,048,000 (2016 - £10,194,000) at market value and a level of funding of 87.3% (2016 - 81.9%).

Contributions to the scheme by the employees and the company have been revised in accordance with the recommendations of the actuary in their valuation as at 30 September 2017. The company's net contributions during the year amounted to £278,000 (2016 - £315,000). It has been agreed with the trustees that contributions for the next year will be 35% of pensionable salaries plus £200,000 (2016 - 35% of pensionable salaries plus £200,000). Contributions amounting to £Nil (2016 - £Nil) were payable to the fund at the year end. The pension scheme has been closed to new members since 2002.

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

18 Pensions (continued)

The mortality basis used for the FRS 102 calculations is 90% of S1PMA/S1PFA base with CMI_2012 projection and long term improvement rates of 1.50% for males and 1.00% for females (2016 - S1PMA/S1PFA base with CMI_2012 projection and long term improvement rates of 1.50% for males and 1.00% for females).

A full actuarial valuation of the defined benefit scheme has been completed and was updated to 30 September 2017 by a qualified independent actuary on a FRS 102 basis.

Group and Company	2017 £	2016 £
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	(12,449,000)	(10,065,000)
Current service cost	(157,000)	(157,000)
Interest cost	(287,000)	(373,000)
Actuarial (losses)/gains	(307,000)	265,000
Change of basis/model	1,417,000	(2,585,000)
Benefits paid	269,000	466,000
	<hr/>	<hr/>
At the end of the year	(11,514,000)	(12,449,000)
	<hr/>	<hr/>
<i>Composition of plan liabilities</i>		
Schemes wholly or partly funded	(11,514,000)	(12,449,000)
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	10,194,000	9,147,000
Interest income on plan assets	237,000	342,000
Actual return on plan assets less interest income	133,000	401,000
Contributions by company	278,000	315,000
Benefits paid	(269,000)	(466,000)
Change of basis/model	(525,000)	455,000
	<hr/>	<hr/>
At the end of the year	10,048,000	10,194,000
	<hr/>	<hr/>
<i>Reconciliation to balance sheet</i>		
Present value of funded obligations	(11,514,000)	(12,449,000)
Fair value of plan assets	10,048,000	10,194,000
	<hr/>	<hr/>
Net pension scheme liability	(1,466,000)	(2,255,000)
	<hr/>	<hr/>

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

18 Pensions (continued)

Group and Company

	2017 £	2016 £
<i>The amounts recognised in the Income Statement are as follows:</i>		
<i>Included in administrative expenses:</i>		
Current service cost	(157,000)	(157,000)
<i>Included in other finance costs:</i>		
Net interest cost	(50,000)	(31,000)
Net cost	(207,000)	(188,000)
<i>Analysis of actuarial losses recognised in Other Comprehensive Income</i>		
Actual return less interest income included in net interest income	133,000	401,000
Actuarial gains and losses arising on the scheme liabilities	(307,000)	265,000
Changes in assumptions underlying the present value of the scheme liabilities	1,417,000	(2,585,000)
Changes in assumptions underlying the present value of the scheme assets	(525,000)	455,000
Actuarial gains/(losses) recognised in Other Comprehensive Income	718,000	(1,464,000)
<i>Composition of plan assets</i>		
UK and European equities	4,154,000	3,172,000
Corporate bonds	914,000	1,294,000
Property	280,000	325,000
Gilts, insured pensioners, hedge funds and cash	4,700,000	5,403,000
Total plan assets	10,048,000	10,194,000
<i>Actual return on plan assets</i>		
	370,000	743,000

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

18 Pensions (continued)

Group and Company	2017 %	2016 %
<i>Principal actuarial assumptions used at the balance sheet date</i>		
Discount rates	2.30	2.30
Future salary increases	*	*
Rate of increase in pension payments	2.90	2.90
Rate of increase to deferred pensions	1.90	1.90
Proportion of employees opting for early retirement	0.00	0.00
Inflation assumption	3.00	3.00

* Short term rates for CPI applied

Mortality rates are disclosed on page 31.

19 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
260 'A' ordinary shares of £1 each	260	260
600 'B' ordinary shares of £1 each	600	600
140 'C' ordinary shares of £1 each	140	140
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

Each class of share carries the right to appoint one director of the company. The shares rank pari passu in all other respects.

20 Commitments under operating leases

	Other 2017 £	Other 2016 £
Operating leases which expire:		
Not later than one year	194,525	182,833
Later than one year and not later than 5 years	138,758	195,225
	<hr/>	<hr/>
	333,283	378,058
	<hr/>	<hr/>

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

21 Related party disclosures

There is no ultimate controlling party of A Gomez Limited.

Group	Purchases net of commissions and expenses 2017 £	Purchases net of commissions and expenses 2016 £	Amounts owed (to)/from related parties 2017 £	Amounts owed (to)/from related parties 2016 £
Related party				
Grupo Hortofruticola Paloma SA	16,393,406	21,247,617	821,249	(1,994,954)
Frutas Esther SA	12,097,249	9,033,106	1,744,839	(2,276,570)
Hernandez Zamora SA	22,893	16,345	-	-
Agricola Paloma SA	-	-	-	-
Dover Athletic Football Club Limited	50,000	50,000	-	-

Grupo Hortofruticola SA, Frutas Esther SA, Hernandez Zamora SA and Agricola Paloma SA are all direct or indirect shareholders of A Gomez Limited.

T J Parmenter, a director of the company is a director of Dover Athletic Football Club Limited.

Gomez Fresh B.V. is a 65% subsidiary of A Gomez Limited (see note 12).

Key management and director transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including the directors of the group.

The total compensation including pension costs paid to key management personnel for services provided to the group was £1,545,226 (2016 - £1,401,068).

Dividends totalling £420,000 (2016 - £434,000) were paid to directors and key management personnel during the year.

After the year end dividends totalling £364,000 were paid to directors and key management personnel.

Company

In addition to the disclosures above, the company made sales of £367,220 (2016 - £487,740) and purchases of £7,891,428 (2016 - £8,124,218) from Gomez Fresh B.V. during the year. The net balance owed from Gomez Fresh B.V. at 30 September 2017 was £381,718 (2016 - £326,067).

A Gomez Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

22 Post balance sheet events

After the year end the following dividends were declared.

Ordinary shares

Final dividend of £2,600 per share on 13 April 2018

£
2,600,000

On 29 November 2017, A Gomez Limited entered into a foreign exchange swap with HSBC for €3,000,000. This was entered into as a forward contract closed out on that date.

On 15 February 2018, A Gomez Limited took out a revolving credit facility with HSBC for £7,000,000. At the date of approval of the accounts, A Gomez Limited had drawn down £3,000,000.

Following the year end, the Company has established a new subsidiary, Jolly Tom Limited. The company has yet to begin trading, but offers the prospect for A Gomez to establish its own UK based supplier of fruit.