

Grove Fresh Limited  
Annual report and financial statements  
for the year ended 31 December 2011

Registered number 2994068

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# **Grove Fresh Limited**

## **Annual report and financial statements for the year ended 31 December 2011**

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# **Grove Fresh Limited**

## **Directors and advisers**

### **Executive directors**

GV Magee

MJ Lane

### **Secretary and registered office**

MJ Lane

3000 Hillswood Business Park,

Hillswood Drive,

Chertsey,

Surrey,

KT16 0RS

### **Statutory auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Donington Court

Pegasus Business Park

Castle Donington

East Midlands

DE74 2UZ

# **Grove Fresh Limited**

## **Directors' report for the year ended 31 December 2011**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011. The company's registered number is 2994068.

### **Principal activity**

Prior to the cessation of trade the principal activity of the company was the sale of organic and pesticide free fruit juice.

### **Review of business and future developments**

The profit and loss account for the year is set out on page 6. The loss for the year after taxation amounted to £351,000 (2010 profit £71,000). The directors cannot recommend the payment of a dividend (2010 £nil).

On 15 May 2012 the trade of Grove Fresh Limited was sold to Sportfit Fruchsaft GmbH, KG for £1. Following the sale the company ceased to trade. The directors have assessed the options available to the company and have concluded that there is no realistic alternative but to liquidate the company in the foreseeable future. Therefore the directors do not regard the company to be a going concern and have prepared the financial statements on a break up basis.

As a result of the above, exceptional costs of £144,000 have been accrued in relation to the expected costs of meeting the contractual obligations of the company which existed at the balance sheet date.

The directors have taken the exemption under the special provisions of section 415A of the Companies Act 2006 from presenting a detailed business review.

### **Directors**

The directors who held office during the year and up to the date of signing these financial statements were as follows:

GV Magee  
MJ Lane

### **Directors' indemnities**

A qualifying third party indemnity provision is in place for the directors of the company. This covers liability for the actions of directors and officers of the company and associated costs, including legal costs.

### **Statement of directors' responsibilities**

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 prepared 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 judgements and accounting estimates that are reasonable and prudent,

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.

## **Grove Fresh Limited**

### **Directors' report for the year ended 31 December 2011 (continued)**

#### **Statement of disclosure of information to auditors**

The directors confirm that the auditors have been provided with appropriate information and that

- So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware
- Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

#### **Auditors**

PricewaterhouseCoopers LLP have expressed their willingness to continue as auditors and a resolution will be submitted to the forthcoming Annual General Meeting that they be re-appointed

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the board



MJ Lane  
**Director**

27 November 2012

## **Independent auditors' report to the members of Grove Fresh Limited**

We have audited the financial statements of Grove Fresh Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss 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

### **Emphasis of matter – Basis of accounting**

In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the financial statements which indicate that the directors do not regard the company to be a going concern and have therefore prepared the financial statements on a break up basis. In view of the significance of this matter, we consider that it should be brought to the attention of the members. Our opinion is not qualified in respect of this matter.

### **Opinion on other matter prescribed by the Companies Act 2006**

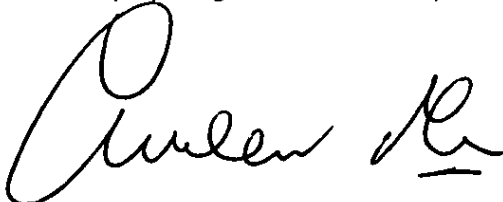
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Grove Fresh Limited (continued)**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report

A handwritten signature in black ink, appearing to read 'Andrew Mair', with a stylized flourish at the end.

Andrew Mair (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
29 November 2012

## Grove Fresh Limited

### Profit and loss account for the year ended 31 December 2011

		2011	2010
	Note	£'000	£'000
<b>Turnover</b>	2	<b>2,368</b>	3,163
Cost of sales		(2,066)	(2,507)
Gross profit		302	656
Distribution costs		(109)	(143)
Administrative expenses		(400)	(505)
Administrative expenses - Exceptional		(144)	-
Administrative expenses - Total	3	(544)	(505)
<b>(Loss) / profit on ordinary activities before taxation</b>	3	<b>(351)</b>	8
Tax on (loss) / profit on ordinary activities	5	-	63
<b>(Loss) / profit for the financial year</b>	13	<b>(351)</b>	71

All activities are in respect of continuing operations

The company had no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents




# Grove Fresh Limited

## Balance sheet as at 31 December 2011

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Intangible assets	6	-	-
Tangible assets	7	-	-
Investments	8	-	-
		-	-
<b>Current assets</b>			
Stocks	9	56	88
Debtors	10	445	639
Cash at bank and in hand		57	250
		558	977
<b>Creditors' amounts falling due within one year</b>	11	(790)	(858)
<b>Net current (liabilities) / assets</b>		(232)	119
<b>Net (liabilities) / assets</b>		(232)	119
<b>Capital and reserves</b>			
Called up share capital	12	8	8
Preference share redemption reserve	13	490	490
Profit and loss account	13	(730)	(379)
<b>Total shareholders' (deficit) / funds</b>	14	(232)	119

The financial statements on pages 6 to 15 were approved by the board of directors on 28 November 2012 and were signed on its behalf by

  
MJ Lane  
Director

# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011

### 1 Accounting policies

The principal accounting policies, which have been consistently applied in the preparation of these financial statements, are set out below

#### **Basis of preparation**

On 15 May 2012 the trade of Grove Fresh Limited was sold to Sportfit Fruchsaft GmbH, KG for £1. Following the sale the company ceased to trade. The directors have assessed the options available to the company and have concluded that there is no realistic alternative but to liquidate the company in the foreseeable future. Therefore the directors do not regard the company to be a going concern and have therefore prepared the financial statements on a break up basis.

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and under the historical cost convention. In accordance with FRS18 "Accounting policies" the directors have reviewed the policies and deem them to be the most appropriate for the company.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking is included in the consolidated financial statements of its immediate parent company, Wellness Foods Limited.

#### **Cash flow statement**

Under FRS 1 "Cashflow Statements" (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements, which includes a statement of consolidated cash flows.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets to their estimated residual values over their expected useful economic life. The principal annual rates used for this purpose are -

Office equipment	-	20% straight line
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#### **Trademarks**

Trademarks are stated at cost less amortisation, which is calculated on a straight line basis. The useful economic life of trademarks is considered to be ten years.

#### **Investments**

Investments are stated at cost less any provisions for impairment.

# **Grove Fresh Limited**

## **Notes to the financial statements for the year ended 31 December 2011 (continued)**

### **1 Accounting policies (continued)**

#### **Impairment**

Intangible and tangible assets are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised in the profit and loss account to the extent that the carrying value cannot be recovered either by selling the asset or from the discounted future earnings from operating the assets in accordance with FRS 11 "Impairment of Fixed Assets and Goodwill".

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, or, where forward contracts have been arranged, at the contracted rates. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, or at the contracted rate where applicable, and any gains or losses on translation are taken to the profit and loss account.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the estimated selling price less further costs expected to be incurred in bringing the stocks to completion and disposal. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### **Taxation**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it also excludes items which are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on enacted or substantially enacted taxes and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Operating leases**

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the next rent review.

#### **Onerous contracts**

Provisions are made for contracts when the cost of meeting the contractual obligations under a contract are greater than the benefits accruing to the company as a result of the contract. Provisions are recognised at the net cost expected to be incurred in mitigating or satisfying the contractual obligations.

# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 2 Turnover

Turnover, which is stated net of value added tax, trade discounts and rebates, relates to the sale of healthy food products. Revenue is recognised when goods have been received by the customer. An analysis of turnover by geographical market is given below.

	2011	2010
	£'000	£'000
UK	2,287	3,067
Europe	81	96
	2,368	3,163

### 3 (Loss) / profit on ordinary activities before taxation

(Loss) / profit on ordinary activities before taxation is stated after charging

	2011	2010
	£'000	£'000
<b>Services provided by the company's auditor</b>		
- Fees payable for the audit	12	11
- Fees payable for other services – tax compliance	4	4
Exceptional administrative expenses	144	-
Operating leases	52	47

On 15 May 2012 the trade of Grove Fresh Limited was sold to Sportfit Fruchsaft GmbH, KG for £1. Following the sale the company ceased to trade. The directors have assessed the options available to the company and have concluded that there is no realistic alternative but to liquidate the company in the foreseeable future. As a result, exceptional costs of £144,000 have been accrued in relation to the expected costs of meeting the contractual obligations of the company which existed at the balance sheet date.

### 4 Directors and employees

The company has no employees (2010: none).

The directors of the company are employed by its immediate parent company, Wellness Foods Limited, and are remunerated by that company in respect of their services to the group as a whole. The directors did not receive any remuneration in respect of their services to the company (2010: £nil). Their emoluments are disclosed within the financial statements of Wellness Foods Limited.

In the current and prior year Grove Fresh payroll costs were borne by Orchard House Foods, a related party, and were recharged as incurred.

# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 5 Tax on (loss) / profit on ordinary activities

	2011	2010
	£'000	£'000
<b>Current tax</b>		
Adjustment in respect of prior periods	-	-
<b>Total current tax</b>	-	-
<b>Group relief</b>		
Current	-	(2)
Adjustments in respect of previous years	-	(61)
	-	(63)
<b>Tax on (loss) / profit on ordinary activities</b>	-	(63)

The tax assessed for the year is higher (2010 lower) than the standard effective rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011	2010
	£'000	£'000
<b>(Loss) / profit on ordinary activities before tax</b>	<b>(351)</b>	<b>8</b>
(Loss) profit on ordinary activities multiplied by standard rate in the UK of 26.5% (2010 28%)	<b>(93)</b>	<b>2</b>
<b>Effects of</b>		
Accelerated capital allowances and other timing differences	<b>(3)</b>	<b>(4)</b>
Surrender of tax losses to other group companies	-	2
Surrender of tax losses to other group companies for no consideration	<b>96</b>	-
<b>Total current tax charge</b>	<b>-</b>	<b>-</b>

#### Factors affecting current and future tax charges

In addition to the changes in rates of Corporation tax disclosed within the notes on taxation a number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 25% to 23%, if these applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by an immaterial amount.

# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 5 Tax on profit on ordinary activities (continued)

There is an unrecognised deferred tax asset of £12,042 at 31 December 2011, relating to timing differences on capital allowances and other short term timing differences (2010 £16,258). This amount has not been recognised due to uncertainty over its recoverability.

### 6 Intangible assets

	Trademarks
	£'000
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	29
<b>Amortisation</b>	
At 1 January 2011 and 31 December 2011	29
<b>Net book value</b>	
At 31 December 2010 and 31 December 2011	-

### 7 Tangible fixed assets

	Office equipment
	£'000
<b>Cost</b>	
At 1 January 2011 and 31 December 2011	53
<b>Depreciation</b>	
At 1 January 2011 and 31 December 2011	53
<b>Net book value</b>	
At 31 December 2010 and 31 December 2011	-

### 8 Investments

The company owns the whole of the issued ordinary share capital of Frische (UK) Limited which is incorporated in England and Wales. The investment at the beginning and end of the year, at cost, is £250.

# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 9 Stocks

	2011 £'000	2010 £'000
Goods for resale	56	88

### 10 Debtors

	2011 £'000	2010 £'000
Trade debtors	327	369
Amount owed by group undertakings	101	254
Prepayments and accrued income	17	16
	445	639

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

### 11 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	321	548
Amount owed to group undertakings	167	65
Taxation and social security	87	98
Accruals and deferred income	215	147
	790	858

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 12 Called up share capital

	2011	2010
	£'000	£'000
<b>Allotted, called up and fully paid</b>		
8,000 ordinary shares of £1 each	8	8

### 13 Reserves

	Profit and loss account	Preference share redemption reserve
	£'000	£'000
At 1 January 2011	(379)	490
(Loss) / profit for the financial year	(351)	-
<b>At 31 December 2011</b>	<b>(730)</b>	<b>490</b>

### 14 Reconciliation of movement in total shareholders' funds

	2011	2010
	£'000	£'000
(Loss) / profit for the financial year	(351)	71
Opening shareholders' funds	119	48
<b>Closing shareholders' (deficit) / funds</b>	<b>(232)</b>	<b>119</b>



# Grove Fresh Limited

## Notes to the financial statements for the year ended 31 December 2011 (continued)

### 15 Commitments

The company has annual commitments under non-cancellable operating leases which expire as follows

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Between two and five years	52	-	47	-

### 16 Contingent liabilities

At 31 December 2011 the company was party to cross guarantees in respect of the bank and related borrowings of other group companies. The amounts outstanding at 31 December 2011 were £133,751,000 (2010: £138,894,000). The directors have reviewed the financial position of the Wellness Foods Limited group and consider that it is unlikely that the contingent liability will crystallise. Consequently these amounts remain unprovided. Further details of the group financing arrangements can be found in the financial statements of Wellness Foods Limited.

### 17 Related party transactions

The company has not disclosed transactions with its parent company and wholly owned subsidiaries within the group shareholding in accordance with the exemption under the terms of FRS 8 "Related Party Disclosures".

### 18 Immediate and ultimate parent company and controlling party

The immediate parent undertaking is Wellness Foods Limited, a company incorporated in England & Wales.

Wellness Foods Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Company Secretary at 3000 Hillswood Business Park, Hillswood Drive, Chertsey, Surrey, KT16 0RS.

The ultimate parent undertaking is Lydian Capital Partners LP, a limited partnership registered in Jersey which controls the company at the year end. There is no individual ultimate controlling party.