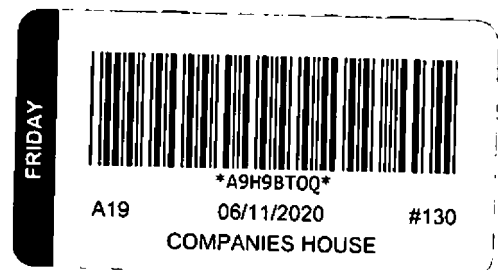


Company Registration No. 03853590 (England and Wales)

**GRAPES DIRECT LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2019**



# GRAPES DIRECT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S M Allfrey S J Hanna A D Cameron
<b>Company number</b>	03853590
<b>Registered office</b>	Benover Road Yalding Maidstone Kent ME18 6ET England
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Hanover House 18 Mount Ephraim Road Tunbridge Wells Kent TN1 1ED

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# GRAPES DIRECT LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2019

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The directors present the strategic report for the period ended 31 December 2019.

#### **Business Review**

Turnover for the period is £70.4m (2018: £39.4m) with a pre-tax profit for the period of £0.7m (2018: £0.2m). The Company has moved its year end from 30th September to 31st December and as a result the current period includes 15 months as opposed to 12 months for the previous period.

The directors consider this to be a good performance in the context of a highly competitive trading environment.

#### **Going Concern**

The directors have considered whether the going concern basis of accounting is appropriate with reference to profit, cash flow forecasts and also considering the worldwide pandemic of Covid-19 that struck subsequent to the year end. Trade since the year end, and since the pandemic began, has increased as a result in the improvement of sales of the company's key customers. The current cash position and forecasted cash position is considered adequate to cover ongoing costs of the business and the business has remained, and forecasted to remain, within its facilities. The company is reliant on a small number of large customers but these relationships are long established and there is no indication that these relationships are at risk. The directors are satisfied the company has adequate access to resources which will enable it to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Financial Key Performance Indicators**

The Company considers its key performance indicators to be turnover, volume of goods sold, debtor days, and profit before tax.

The change of year end has meant that at the Balance Sheet date, the Company was at a significantly busier time in its trading calendar. This resulted in an increase of £4.4m in Debtors and an increase of £1.8m in Stocks. Trade Creditors rose by £4.6m.

Cash holdings were also affected by the change in period end date but additionally by a final dividend of £2.0m paid to its previous owners. The directors propose no dividend in respect of 2019.

In the period, debtor days improved to 50.2 ( 2018 : 57.6 )

#### **Future Developments**

*The Company continues to trade successfully and is growing its business with its key customers. The Company maintains a strong and committed overseas supply base.*

# GRAPES DIRECT LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2019

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### Operational Risks

The Company seeks to remain competitive in its marketplace by maintaining rigorous control of its UK costs while developing its sourcing activities in the major grape production areas of the world.

The Company's credit risk is primarily attributable to its trade debtors. This debt is predominantly with major retailers with whom contractual agreements exist. Payments in line with these agreements are continuously monitored.

### Financial Risk

The impact of foreign currency exchange movements is mainly managed by the forward purchase of currency in line with the value of product purchased.

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom. No exports were made by the Company during the year.

The directors monitor liquidity and cash flow of the Company carefully and appropriate action is taken where additional funds are required, given due consideration to risk.

This report was approved by the Board and signed on its behalf



A D Cameron  
Director

Date: 30/7/20

# GRAPES DIRECT LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2019

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The directors present their annual report and financial statements for the period ended 31 December 2019.

#### Principal activities

The principal activity of the company continued to be that of importation and distribution of grapes.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

L Aichen	(Resigned 1 July 2019)
A G Gray	(Resigned 1 July 2019)
S M Allfrey	(Appointed 1 July 2019)
S J Hanna	(Appointed 7 August 2019)
A D Cameron	(Appointed 1 July 2019)

#### Results and dividends

The results for the period are set out on page 7.

Ordinary dividends were paid amounting to £2,000,000 (2018: £2,000,000). The directors do not recommend payment of a final dividend.

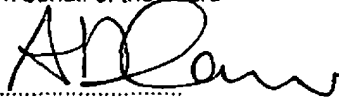
#### Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A D Cameron  
Director

Date: 30/7/20

# **GRAPES DIRECT LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAPES DIRECT LIMITED**

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## **Opinion**

We have audited the financial statements of Grapes Direct Limited (the 'company') for the period ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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 FRS 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 company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

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

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

We have nothing to report in this regard.

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAPES DIRECT LIMITED (CONTINUED)**

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

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

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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

*RSM UK Audit LLP*

Christopher Tate (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent, TN1 1ED

30 July 2020



# GRAPES DIRECT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

		15 month period ended 31 December 2019 £000	Year ended 30 September 2018 £000
	Notes		
Turnover	3	70,398	39,424
Cost of sales		(68,418)	(38,564)
<b>Gross profit</b>		<b>1,980</b>	<b>860</b>
Administrative expenses		(1,231)	(912)
Other operating income		94	260
Exceptional item	4	(102)	-
<b>Operating profit</b>	7	<b>741</b>	<b>208</b>
Interest payable and similar expenses	9	(13)	(4)
<b>Profit before taxation</b>		<b>728</b>	<b>204</b>
Tax on profit	10	(135)	(41)
<b>Profit for the financial period</b>		<b>593</b>	<b>163</b>

**GRAPES DIRECT LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	31 December 2019		30 September 2018	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12		12		1
<b>Current assets</b>					
Stocks	13	2,081		337	
Debtors	14	9,693		5,293	
Cash at bank and in hand		1,582		4,548	
		<u>13,356</u>		<u>10,178</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(11,990)</u>		<u>(7,394)</u>	
<b>Net current assets</b>			<u>1,366</u>		<u>2,784</u>
<b>Total assets less current liabilities</b>			<u><u>1,378</u></u>		<u><u>2,785</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		749		749
Profit and loss reserves	20		629		2,036
<b>Total equity</b>			<u><u>1,378</u></u>		<u><u>2,785</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30/7/20 and are signed on its behalf by:



AD Cameron  
Director

# GRAPES DIRECT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	£000	£000	£000
<b>Balance at 1 October 2017</b>		749	3,873	4,622
<b>Year ended 30 September 2018:</b>				
Profit and total comprehensive income for the year		-	163	163
Dividends	11	-	(2,000)	(2,000)
<b>Balance at 30 September 2018</b>		749	2,036	2,785
<b>Period ended 31 December 2019:</b>				
Profit and total comprehensive income for the period		-	593	593
Dividends	11	-	(2,000)	(2,000)
<b>Balance at 31 December 2019</b>		<u>749</u>	<u>629</u>	<u>1,378</u>

# GRAPES DIRECT LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2019

	Notes	31 December 2019 £000	30 September 2018 £000
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	21	(802)	(233)
Interest paid		(13)	(4)
Income taxes paid		(75)	(32)
<b>Net cash outflow from operating activities</b>		<u>(890)</u>	<u>(269)</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(114)	(2)
Proceeds on disposal of tangible fixed assets		38	-
Proceeds on disposal of subsidiaries		-	1
<b>Net cash used in investing activities</b>		<u>(76)</u>	<u>(1)</u>
<b>Financing activities</b>			
Dividends paid		(2,000)	(2,000)
<b>Net cash used in financing activities</b>		<u>(2,000)</u>	<u>(2,000)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(2,966)</u>	<u>(2,270)</u>
Cash and cash equivalents at beginning of period		4,548	6,818
<b>Cash and cash equivalents at end of period</b>		<u><u>1,582</u></u>	<u><u>4,548</u></u>

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

##### Company information

Grapes Direct Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Benover Road, Yalding, Maidstone, Kent, England, ME18 6ET.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

*The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.*

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### Going concern

The directors have considered whether the going concern basis of accounting is appropriate with reference to profit, cash flow forecasts and also considering the worldwide pandemic of Covid-19 that struck subsequent to the year end. Trade since the year end, and since the pandemic began, has increased as a result in the improvement of sales of the company's key customers. The current cash position and forecasted cash position is considered adequate to cover ongoing costs of the business and the business has remained, and forecasted to remain, within its facilities. The company is reliant on a small number of large customers but these relationships are long established and there is no indication that these relationships are at risk. The directors are satisfied the company has adequate access to resources which will enable it to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Reporting period

These financial statements are prepared to the period ended 31 December 2019, which represents a 15 month period from the previous accounting period, being 30 September 2018. The accounting period has been extended to align the company to the financial year end of other group entities. As a result, amounts presented in the financial statements (including the related notes) are not entirely comparable between the two periods.

##### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods, being the distribution of grapes, is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	50% straight line
Plant and equipment	100% straight line
Fixtures and fittings	15% and 25% straight line
Motor vehicles	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors are of the opinion that no critical judgements or key estimates have been undertaken when preparing the financial statements.

### 3 Turnover and other revenue

	31 December 2019 £000	30 September 2018 £000
<b>Turnover analysed by class of business</b>		
Distribution of grapes	70,398	39,424

	31 December 2019 £000	30 September 2018 £000
<b>Other revenue</b>		
Rents receivable	94	260

	31 December 2019 £000	30 September 2018 £000
<b>Turnover analysed by geographical market</b>		
United Kingdom	70,398	39,424

### 4 Exceptional costs

	31 December 2019 £000	30 September 2018 £000
Restructuring costs	102	-

During the period, the company relocated its operations to a new premises, and as a result incurred restructuring costs amounting to £101,805 which are considered to be one off.



# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	31 December 2019 Number	30 September 2018 Number
Commercial	7	8
Technical / Operations	5	3
	<u>12</u>	<u>11</u>

Their aggregate remuneration comprised:

	31 December 2019 £000	30 September 2018 £000
Wages and salaries	690	344
Social security costs	71	45
Pension costs	31	13
	<u>792</u>	<u>402</u>

### 6 Directors' remuneration

	31 December 2019 £000	30 September 2018 £000
Remuneration for qualifying services	148	104
Company pension contributions to defined contribution schemes	8	7
	<u>156</u>	<u>111</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 1).

Remuneration for qualifying services includes redundancy payments which total £30,000 (2018: £nil) paid to A G Gray, who resigned as company director on 1 July 2019.

During the year, recharges amounting to £106,363 (2018: £nil) in respect of directors remuneration, social security costs and employers pension contributions were recharged to Ropac Limited, a fellow subsidiary company up until 1 July 2019 (see note 23 and 24).

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 7 Operating profit

	31 December 2019 £000	30 September 2018 £000
Operating profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	103	4
Profit on disposal of tangible fixed assets	(38)	-
Cost of stocks recognised as an expense	51,486	28,486
Operating lease charges	92	366
	<u>          </u>	<u>          </u>

### 8 Auditor's remuneration

	31 December 2019 £000	30 September 2018 £000
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	21	20
	<u>          </u>	<u>          </u>

### 9 Interest payable and similar expenses

	31 December 2019 £000	30 September 2018 £000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	13	4
	<u>          </u>	<u>          </u>

### 10 Taxation

	31 December 2019 £000	30 September 2018 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	125	41
Adjustments in respect of prior periods	(3)	-
	<u>          </u>	<u>          </u>
Total current tax	122	41
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13	-
	<u>          </u>	<u>          </u>
Total tax charge	135	41
	<u>          </u>	<u>          </u>

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 10 Taxation (Continued)

The total tax charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	31 December 2019 £000	30 September 2018 £000
Profit before taxation	728	204
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	138	39
Tax effect of expenses that are not deductible in determining taxable profit	-	4
Adjustments in respect of prior years	(3)	(1)
Effect of change in corporation tax rate	(1)	(1)
Amortisation on assets not qualifying for tax allowances	1	-
Taxation charge for the period	135	41

### 11 Dividends

	31 December 2019 £000	30 September 2018 £000
Interim paid	2,000	2,000

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 12 Tangible fixed assets

	Leasehold improvements £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<b>Cost</b>					
At 1 October 2018	-	-	198	20	218
Additions	7	92	15	-	114
Disposals	-	(92)	(180)	(20)	(292)
	<u>7</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>40</u>
<b>At 31 December 2019</b>					
<b>Depreciation and impairment</b>					
At 1 October 2018	-	-	197	20	217
Depreciation charged in the period	4	92	7	-	103
Eliminated in respect of disposals	-	(92)	(180)	(20)	(292)
	<u>4</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>28</u>
<b>At 31 December 2019</b>					
<b>Carrying amount</b>					
At 31 December 2019	<u>3</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>12</u>
At 30 September 2018	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>

### 13 Stocks

	31 December 2019 £000	30 September 2018 £000
Raw materials and consumables	<u>2,081</u>	<u>337</u>

### 14 Debtors

	31 December 2019 £000	30 September 2018 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	9,482	4,482
Other debtors	155	292
Prepayments and accrued income	39	490
	<u>9,676</u>	<u>5,264</u>
Deferred tax asset (note 17)	17	29
	<u>9,693</u>	<u>5,293</u>

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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

	31 December 2019 £000	30 September 2018 £000
Trade creditors	5,065	4,075
Amounts owed to group undertakings	-	1,527
Corporation tax	65	17
Other taxation and social security	17	18
Other creditors	243	293
Accruals and deferred income	6,600	1,464
	<u>11,990</u>	<u>7,394</u>

### 16 Financial instruments

	31 December 2019 £000	30 September 2018 £000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	9,484	4,482
	<u>9,484</u>	<u>4,482</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	11,908	7,359
	<u>11,908</u>	<u>7,359</u>

### 17 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Assets 31 December 2019 £000	Assets 30 September 2018 £000
<b>Balances:</b>		
Accelerated capital allowances	16	28
Short term timing differences	1	1
	<u>17</u>	<u>29</u>

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 17 Deferred taxation (Continued)

	31 December 2019 £000
<b>Movements in the period:</b>	
Asset at 1 October 2018	(29)
Charge to profit or loss	12
	<u>          </u>
Asset at 31 December 2019	(17)
	<u>          </u>

### 18 Retirement benefit schemes

	31 December 2019 £000	30 September 2018 £000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	31	13
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £4,486 (2018: £6,683) were payable to the fund at the balance sheet date and are included in other creditors.

### 19 Share capital

	31 December 2019 £000	30 September 2018 £000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,000 Ordinary A shares of 1p each	1	1
748,002 Ordinary shares of £1 each	748	748
	<u>          </u>	<u>          </u>
	749	749
	<u>          </u>	<u>          </u>

The company has two classes of shares, ordinary and ordinary A, which both have attached to them full voting rights.

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

### 20 Reserves

#### Profit and loss reserves

Represents cumulative profit net of distributions to owners.

### 21 Cash generated from operations

	31 December 2019 £000	30 September 2018 £000
Profit for the period after tax	593	163
<b>Adjustments for:</b>		
Taxation charged	135	41
Finance costs	13	4
Gain on disposal of tangible fixed assets	(38)	-
Depreciation and impairment of tangible fixed assets	103	4
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(1,744)	604
(Increase)/decrease in debtors	(4,412)	1,630
Increase/(decrease) in creditors	4,548	(2,679)
<b>Cash absorbed by operations</b>	<u>(802)</u>	<u>(233)</u>

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	31 December 2019 £000	30 September 2018 £000
Within one year	27	75
Between one and five years	48	-
	<u>75</u>	<u>75</u>

### 23 Events after the reporting date

Subsequent to the year end the worldwide pandemic of Covid-19 has impacted the UK economy. The directors consider the impact of Covid-19 as a non adjusting post balance sheet event and as a result no adjustments have been made to the financial statements as at 31 December 2019. Given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the directors are unable to quantify the impacts, if any, on the business

# GRAPES DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019

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### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	31 December 2019 £000	30 September 2018 £000
Aggregate compensation	184,697	110,937

Included within the amounts disclosed above is employers NI contributions totalling £29,420 (2018: £10,673).

During the period under review, sales (admin charges) totalling £72,316 were made to Linton Green Limited (2018: £nil), a company in which A D Cameron and S M Allfrey are shareholders.

As at the balance sheet date, £2,253 was owed by Linton Green Limited (2018: £nil). This amount was included in debtors.

Additionally during the period, sales totalling £44,608 (2018: £nil) and recharges amounting to £106,363 (2018: £nil) in respect of directors remuneration, social security costs and employers pension contributions were made to Ropac Ltd, a fellow subsidiary company up until 1 July 2019 (see below and note 24).

Conversely, during the period, purchases totalling £505,857 (2018: £nil) were made from Ropac Ltd.

As at the balance sheet date, no amounts were outstanding with Ropac Ltd (2018: £nil).

### 25 Ultimate controlling party

On 1 July 2019, Hawkbit Trading Limited acquired the company's entire shareholding, being 748,002 ordinary shares and 100,000 ordinary A shares from AG Thames Holdings Limited.

Therefore, at 31 December 2019 the company's ultimate controlling party was Hawkbit Trading Limited, a company incorporated in England and Wales.

Hawkbit Trading Limited has not prepared consolidated financial statements given that it qualifies as a small entity, and following acquisition of the company, will not be required to prepare consolidated financial statements until the following year.