

Registered number: 06375826

## **A&A UK Investments Limited**

**Directors' report and financial statements**

**For the year ended 31 December 2019**

**A&A UK Investments Limited**

**Company Information**

<b>Directors</b>	A J Breugem A J De Gier
<b>Company secretary</b>	A J Breugem
<b>Registered number</b>	06375826
<b>Registered office</b>	5 Barrow Man Road Birchington Kent England CT7 0AX
<b>Independent auditor</b>	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
<b>Bankers</b>	Lloyds Bank plc 3 Sidney Street Cambridge Cambridgeshire CB2 3HQ  Coöperatieve Rabobank Westland UA Postbus 9 2670 AA Naaldwijk The Netherlands

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**Directors' report**

**For the year ended 31 December 2019**

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

**Principal activity**

The company's principal activity for the year under review is that of leasing a greenhouse built on a plot of land in Birchington, Kent, to its fellow subsidiary for use in the group's trade.

**Directors**

The directors who served during the year were:

A J Breugem

A J De Gier

**Disclosure of information to auditor**

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

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

**Auditors**

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**A J Breugem**

Director

Date: 20 October 2020

**Directors' responsibilities statement  
For the year ended 31 December 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 for the company's financial statements 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 to 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.

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

**Independent auditor's report to the members of A&A UK Investments Limited**

**Opinion**

We have audited the financial statements of A&A UK Investments Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, 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 company's affairs as at 31 December 2019 and of its 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual 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.

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.

**Independent auditor's report to the members of A&A UK Investments Limited (continued)**

**Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement 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, 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.

**Independent auditor's report to the members of A&A UK Investments Limited (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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Canterbury

21 October 2020



**Statement of income and retained earnings**  
**For the year ended 31 December 2019**

	2019 £	2018 £
Turnover	<b>949,968</b>	1,450,000
<b>Gross profit</b>	<b>949,968</b>	1,450,000
Administrative expenses	<b>(313,751)</b>	(1,413,769)
<b>Operating profit</b>	<b>636,217</b>	36,231
Gain on financial assets measured at fair value	<b>(24,755)</b>	(53,927)
Interest receivable and similar income	-	5,332
Interest payable and expenses	<b>(7,063)</b>	(1,526)
<b>Profit/(loss) before tax</b>	<b>604,399</b>	(13,890)
Tax on profit/(loss)	<b>(95,917)</b>	5,280
<b>Profit/(loss) after tax</b>	<b>508,482</b>	(8,610)
Retained earnings at the beginning of the year	<b>(36,830)</b>	(28,220)
Profit/(loss) for the year	<b>508,482</b>	(8,610)
<b>Retained earnings at the end of the year</b>	<b>471,652</b>	(36,830)

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

**Balance sheet**  
**As at 31 December 2019**

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Fixed assets</b>			
Tangible assets	6	<b>677,291</b>	691,026
		<b>677,291</b>	691,026
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	<b>172,478</b>	219,933
Debtors: amounts falling due within one year	7	<b>2,731,668</b>	3,187,326
Cash at bank and in hand		<b>40</b>	13
		<b>2,904,186</b>	3,407,272
Creditors: amounts falling due within one year	8	<b>(2,189,749)</b>	(3,019,747)
<b>Net current assets</b>		<b>714,437</b>	387,525
<b>Total assets less current liabilities</b>		<b>1,391,728</b>	1,078,551
Creditors: amounts falling due after more than one year	9	-	(195,305)
<b>Net assets</b>		<b>1,391,728</b>	<b>883,246</b>
<b>Capital and reserves</b>			
Called up share capital	12	<b>873,338</b>	873,338
Share premium account	13	<b>46,738</b>	46,738
Profit and loss account	13	<b>471,652</b>	(36,830)
		<b>1,391,728</b>	<b>883,246</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**A J Breugem**  
Director

**A J De Gier**  
Director

Date: 20 October 2020

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

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**1. General information**

A&A UK Investments Limited is a limited liability company incorporated in England. The address of the registered office is 5 Barrow Man Road, Birchington, Kent, England, CT7 0AX. The company's registered number is 06375826.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for certain financial instruments and investment property in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. Certain disclosure exemptions have been applied in accordance with the provisions of FRS102 Section 1A – Small entities.

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

The financial statements are rounded to the nearest pound.

The following principal accounting policies have been applied:

**2.2 Going concern**

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with fellow group members.

The company's forecasts and projections, which take into account reasonable changes in trading performance, show that the company and the group it participates in should continue to generate positive cash flows for the foreseeable future.

After making enquiries of the parent company, A&A UK Holding Limited, and its fellow subsidiary, A&A Cucumbers Limited, the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future however, if required, they will continue to provide their support to ensure the company is able to pay its' liabilities as they fall due. Consequently, the going concern basis has been adopted in preparing the financial statements.

While the impact of the Covid-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its customers and suppliers. However, taking into consideration the UK Government's response and the company's planning, added to the fact the company is vital in the provision of providing vegetables to the public, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

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 profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**2.5 Interest income**

Interest income is recognised in the profit and loss account using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**2. Accounting policies (continued)**

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and 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 balance sheet date in the countries where the company operates and generates income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	10% straight line
Plant & machinery	-	5 - 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in the Statement of income and retained earnings.

**2.9 Investment property**

The company elected to early adopt the triennial review as at 1 January 2017 in the prior year.

Previously, the investment property was measured at fair value through profit and loss, however

following the adoption of the triennial review, the investment property reverted to being measured at

historical cost less depreciation as detailed under FRS 102 Section 16.4A.

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**2. Accounting policies (continued)**

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**Notes to the financial statements**  
**For the year ended 31 December 2019**

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following are the company's key sources of estimation uncertainty:

**Fair value measurement of financial instruments**

When the fair value of financial assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. See note 7 for further details. The fair value of financial instruments has been obtained from the company's bankers.

**Taxation**

Provision has been made in the financial statements for a deferred tax asset amounting to £178,951 (2018 - £217,829) at the reporting date (see note 11). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

**Tangible fixed assets**

The company has recognised tangible fixed assets with a carrying value of £677,291 (2018 - £691,026) at the reporting date (see note 6). These assets are stated at their cost less provision for depreciation and impairment. The company's accounting policy sets out the approach to calculation depreciation for immaterial assets acquired. For material assets such as land and buildings the company determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the company undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the company's forecasts for the foreseeable future which do not include any restructuring activities that the company is not yet committed to or significant future investments that enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash flows and the growth rate for extrapolation purposes.

**4. Employees**

The average monthly number of employees, including directors, during the year was 2 (2018 - 2).

The directors did not receive any remuneration (2018 - £NIL).

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**5. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	57,039	132,723
Adjustments in respect of previous periods	-	236
	<u>57,039</u>	<u>132,959</u>
<b>Total current tax</b>	<u>57,039</u>	<u>132,959</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	38,878	(138,239)
<b>Total deferred tax</b>	<u>38,878</u>	<u>(138,239)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>95,917</u>	<u>(5,280)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>604,399</u>	<u>(13,890)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	114,836	(2,639)
<b>Effects of:</b>		
Fixed asset differences	-	44,892
Adjustments to tax charge in respect of prior periods	-	236
Other differences leading to an increase (decrease) in the tax charge	(4,574)	16,264
Group relief	(14,345)	(64,033)
<b>Total tax charge for the year</b>	<u>95,917</u>	<u>(5,280)</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax.



**Notes to the financial statements**  
**For the year ended 31 December 2019**

**6. Tangible fixed assets**

	Freehold property £	Plant & machinery £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	6,257,531	7,500,593	13,758,124
Disposals	-	(6,252)	(6,252)
At 31 December 2019	6,257,531	7,494,341	13,751,872
<b>Depreciation</b>			
At 1 January 2019	5,648,919	7,418,179	13,067,098
Charge for the year on owned assets	-	13,735	13,735
Disposals	-	(6,252)	(6,252)
At 31 December 2019	5,648,919	7,425,662	13,074,581
<b>Net book value</b>			
At 31 December 2019	608,612	68,679	677,291
<b>At 31 December 2018</b>	608,612	82,414	691,026

Included above is freehold land at cost of £608,612 (2018 - £608,612) which is not depreciated.

Accumulated finance costs capitalised in freehold land and buildings above amounts to £222,485 (2018 - £222,485).

**7. Debtors**

	2019 £	2018 £
<b>Due after more than one year</b>		
Deferred tax asset	172,478	211,356
Financial instruments	-	8,577
	<u>172,478</u>	<u>219,933</u>
	2019 £	2018 £
<b>Due within one year</b>		
Amounts owed by group undertakings	2,710,294	3,163,800
Other debtors	14,026	-
Deferred taxation	6,473	6,473
Financial instruments	875	17,053
	<u>2,731,668</u>	<u>3,187,326</u>

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**8. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank loans	227,907	878,866
Trade creditors	1,689	2,921
Amounts owed to group undertakings	1,897,064	1,927,059
Corporation tax	57,039	132,723
Taxation and social security	-	72,228
Accruals and deferred income	6,050	5,950
	<u>2,189,749</u>	<u>3,019,747</u>

The bank loans and overdraft are secured by way of a debenture over all assets of the company.

**9. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	-	195,305
	<u>-</u>	<u>195,305</u>

**10. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Derivative financial instruments measured at fair value through profit or loss	875	25,630

Derivative financial instruments measured at fair value through profit or loss comprise currency and interest rate swaps.

**11. Deferred taxation**

	2019 £
At beginning of year	217,829
Charged to the profit or loss	(38,878)
<b>At end of year</b>	<u>178,951</u>

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**11. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	146,587	178,992
Tax relief on financial instruments	32,364	38,837
	<u>178,951</u>	<u>217,829</u>

**12. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
873,338 Ordinary shares of £1.00 each	<u>873,338</u>	<u>873,338</u>

**13. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

**Profit & loss account**

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

**Notes to the financial statements**  
**For the year ended 31 December 2019**

**14. Other financial commitments**

i) Together with other group companies the company has entered into a deed of counter indemnity with fellow Thanet Earth growers, Rainbow UK Investments Limited, Rainbow UK Trading & Growing Limited, Kaaij UK Investments Limited, Kaaij Greenhouses UK Limited, Kaaij UK Holding BV, Kaaij Brothers BV and Fresca Group Limited and is therefore jointly liable for any liabilities which might occur under this agreement.

ii) The company has provided a guarantee, together with A&A UK Holding Limited and A&A Cucumbers Limited, secured by a debenture over the assets of each company in favour of Coöperatieve Rabobank Westland UA to support the borrowings of the group.

At 31 December 2019 the total exposure amounted to £843,893 (2018 - £1,414,611).

iii) Together with other group companies, the company has provided a cross guarantee to TG1 Holding Limited and its subsidiaries, a joint venture of the group, to support the borrowings of that group. At the year end the total exposure amounted to £19,916,900 (2018 - £23,313,100).

iv) Together with other group companies, the company has provided a cross guarantee to A&A UK Holding Limited to support its borrowings in relation to the loan provided by Fresca Group Limited. Amounts falling due from this agreement are secured by way of a debenture. The debenture is secured by way of a fixed and floating charge over all property and assets present and future of this company.

At 31 December 2019 the total exposure amounted to £Nil (2018 - £129,096).

**15. Post balance sheet events**

Substantive information about the COVID-19 disease only came to light in early 2020, with the World

Health Organisation declaring a pandemic on 11 March 2020.

The directors have carefully considered the impact of the pandemic and its effect on the economic climate and have concluded that as at the approval date of these financial statements, there has been no material impact on the company.

The company continues to maintain a strong net asset position and the directors will continue to closely monitor the company's operational activity.

**16. Controlling party**

The company is a wholly owned subsidiary of A&A UK Holding Limited.

In the opinion of the directors, there is no controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.