

**REGISTERED NUMBER: 07882029 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
4 NOVEMBER 2018 TO 2 NOVEMBER 2019  
FOR  
GCH GROWERS LIMITED**



**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**GCH GROWERS LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

**DIRECTORS:**

D Thompson  
C J Shropshire  
H J Shropshire  
G W Shropshire

**REGISTERED OFFICE:**

Hainey Farm  
Barway  
Ely  
Cambridgeshire  
CB7 5TZ

**REGISTERED NUMBER:**

07882029 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditors  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1AU

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**STRATEGIC REPORT  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

The directors present their strategic report for the period 4 November 2018 to 2 November 2019.

**REVIEW OF BUSINESS**

The results for the company show sales of £13.3m (2018:£11.9m) and a pre tax profit of £1.2m (2018: £0.22m). At the period end the company had net assets of £5.0m (2018: £4.0m).

The reported results of the company are for 52 weeks (2018: 52 weeks).

The directors are satisfied with the performance of the company and expect it to trade profitably in the future.

The principal activity of the company is farming.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's principal operational risk and uncertainties include exposure of UK and global macroeconomic conditions, reliance on key personnel, security of customers and supply chain, reputation. Notwithstanding these risks and uncertainties, the Directors expect the company to continue to trade profitably in the future.

The company operates in a challenging economic climate, in which inflationary pressure on costs must be balanced against the price expectations of our ultimate customers. The nature of the business, being the farming of fresh produce, means that the company is always faced with the uncertainties of the weather and its impact upon both supply of product and demand of the ultimate customers.

**Financial risk management:**

The company uses various financial instruments including loans, cash overdrafts and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the company's ongoing operations and capital expenditure program.

**Interest rate risk:**

The company's exposure to interest rate and liquidity risk is considered low due to the healthy cash position.

**Credit risk:**

The principal credit risk lies with trade debtors. This is not considered a high risk as a significant proportion of the company's turnover is with G's Growers Limited, a co-operative with 24 active members within the UK and Spain, who via marketing agents trade with major supermarket multiples, processors and wholesale markets. The credit terms with G's Growers Limited are between 21-28 days. Other customers' credit terms are based on payment history and reviewed on a regular basis.

**FINANCIAL KEY PERFORMANCE INDICATORS**

Overall profitability is a key indicator of the company's performance. The profit for the period was £1.0m (2018: £0.2m).

The directors are satisfied with the performance of the company in the period.

**Other key performance indicators**

In addition to the above, other KPI's both financial and non-financial, are used for management purposes.

**ON BEHALF OF THE BOARD:**



.....  
C J Shropshire - Director

Date: 26/10/20.....

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

The directors present their report with the financial statements of the company for the period 4 November 2018 to 2 November 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of farming.

**DIVIDENDS**

No dividends will be distributed for the period ended 2 November 2019.

**EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 4 November 2018 to the date of this report.

D Thompson  
C J Shropshire  
H J Shropshire  
G W Shropshire

**GOING CONCERN**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the company of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the company's ability to trade.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 they are satisfied that they give a true and fair view of the state of affairs and 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

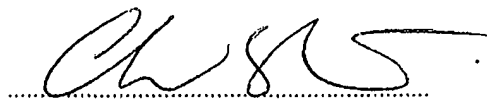
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and 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**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'CJ Shropshire', written over a dotted line.

C J Shropshire - Director

Date: 26/10/20.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCH GROWERS LIMITED**

### **Opinion**

We have audited the financial statements of GCH Growers Limited (the 'company') for the period ended 2 November 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 November 2019 and of its profit for the period 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 Auditors' 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.

### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.

### **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.

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Company will continue in operation.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCH GROWERS LIMITED**

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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

### **Matters on which we are required to report under the Companies Act 2006**

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 Report of the Directors.

### **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.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 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.

### **Auditors' 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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCH GROWERS LIMITED

### 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 a Report of the Auditors 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.

The logo for Grant Thornton UK LLP, featuring the company name in a stylized, textured font.

Gareth Norris FCA (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditors  
Victoria House  
199 Avebury Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1AU

Date: 28/10/2020 .....

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Notes	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
<b>TURNOVER</b>	3	13,284,755	11,856,552
Cost of sales		<u>11,288,180</u>	<u>10,815,088</u>
<b>GROSS PROFIT</b>		1,996,575	1,041,464
Administrative expenses		<u>820,105</u>	<u>819,423</u>
		1,176,470	222,041
Other operating income	4	<u>-</u>	<u>817</u>
<b>OPERATING PROFIT</b>	6	1,176,470	222,858
Interest receivable and similar income		<u>12,812</u>	<u>5,516</u>
		1,189,282	228,374
Interest payable and similar expenses	8	<u>13,977</u>	<u>779</u>
<b>PROFIT BEFORE TAXATION</b>		1,175,305	227,595
Tax on profit	9	<u>180,193</u>	<u>37,100</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u>995,112</u>	<u>190,495</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

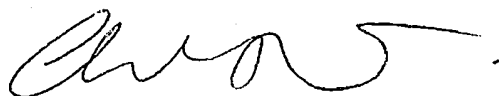
There was no other comprehensive income for 2019 (2018: £nil).

The notes form part of these financial statements

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****BALANCE SHEET  
2 NOVEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	10	863,167	755,308
Investments	11	30,000	30,000
		<u>893,167</u>	<u>785,308</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,574,943	1,331,904
Debtors	13	2,294,521	767,915
Cash at bank	14	2,701,777	2,755,659
		<u>6,571,241</u>	<u>4,855,478</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>2,410,299</u>	<u>1,554,907</u>
<b>NET CURRENT ASSETS</b>		<u>4,160,942</u>	<u>3,300,571</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,054,109</u>	<u>4,085,879</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	<u>76,946</u>	<u>103,828</u>
<b>NET ASSETS</b>		<u><u>4,977,163</u></u>	<u><u>3,982,051</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1	1
Retained earnings	20	<u>4,977,162</u>	<u>3,982,050</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>4,977,163</u></u>	<u><u>3,982,051</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26/10/2 and were signed on its behalf by:



.....  
C J Shropshire - Director

The notes form part of these financial statements

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 5 November 2017</b>	1	3,791,555	3,791,556
<b>Changes in equity</b>			
Total comprehensive income	-	190,495	190,495
<b>Balance at 3 November 2018</b>	1	3,982,050	3,982,051
<b>Changes in equity</b>			
Total comprehensive income	-	995,112	995,112
<b>Balance at 2 November 2019</b>	1	4,977,162	4,977,163

The notes form part of these financial statements

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

**1. STATUTORY INFORMATION**

GCH Growers Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of GCH Farms Holdings Limited as at 2 November 2019 and these financial statements may be obtained from Companies House.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make judgements and estimates. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation uncertainty is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

**Fixed assets:**

Depreciation is charged with due consideration to the useful economic life and residual value of fixed assets and the continuing appropriateness of the applied policy is considered on an annual basis by the directors.

**Stock provision:**

Stocks are assessed for impairment at each reporting date based on the directors best estimate of net realisable values with reference to quoted market or contract prices.

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- The Company has transferred the significant risk and rewards of ownership to the buyer;
  - The Company retains neither continuing managerial involvement of the degree usually associated with ownership nor effective control over the goods sold;
  - The amount of turnover can be measured reliably;
- It is probable that the Company will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of turnover can be measured reliably;
  - It is probable that the Company will receive the consideration due under the contract;
  - The stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- The costs incurred and the costs to complete the contract can be measured reliably.

**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.

Depreciation is provided on the following basis:

Plant and machinery - 4 years straight line and 25% reducing balance

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 Income Statement.

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchases on a first in, first out basis.

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

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

**2. ACCOUNTING POLICIES - continued**

**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, loans to related parties and investments in non-puttable ordinary shares.

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 costs 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 comprehensive income.

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.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

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 Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charge to the Statement of comprehensive income over the term of the debt.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Valuation of investments**

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determine, such investments are stated at historic cost less impairment.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**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.

**Creditors**

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



**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****2. ACCOUNTING POLICIES - continued****Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the company of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the company's ability to trade. The directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**3. TURNOVER**

The whole of the turnover is attributable to farming.

All turnover arose within the United Kingdom.

**4. OTHER OPERATING INCOME**

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Other income	-	817
	<u>          </u>	<u>          </u>

**5. EMPLOYEES AND DIRECTORS**

The company has no employees other than the directors, who did not received any remuneration (2018: £nil).

**6. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Depreciation - owned assets	112,671	149,783
Depreciation - assets on hire purchase contracts	107,380	38,875
(Profit)/loss on disposal of fixed assets	(51,910)	43,977
Foreign exchange differences	(568)	(461)
Operating lease rentals	628,462	563,003
Cost of stock recognised in income statement	<u>4,207,029</u>	<u>4,325,409</u>

**7. AUDITORS' REMUNERATION**

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Fees payable to the company's auditors for the audit of the company's financial statements	10,750	12,790
Other non- audit services	<u>2,880</u>	<u>4,085</u>

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Bank interest	7,966	362
Loan interest	2	417
Hire purchase	6,009	-
	<u>13,977</u>	<u>779</u>

**9. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Current tax:		
UK corporation tax	180,296	37,100
Adjustment in respect of prior periods	(103)	-
	<u>180,193</u>	<u>37,100</u>

UK corporation tax has been charged at 19%.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 4/11/18 to 2/11/19 £	Period 5/11/17 to 3/11/18 £
Profit before tax	<u>1,175,305</u>	<u>227,595</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	223,308	43,243
Effects of:		
Capital allowances in excess of depreciation	(50,869)	(6,143)
Adjustments to tax charge in respect of previous periods	7,754	-
Total tax charge	<u>180,193</u>	<u>37,100</u>

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****10. TANGIBLE FIXED ASSETS**

	Plant and machinery £
<b>COST</b>	
At 4 November 2018	1,211,156
Additions	406,000
Disposals	(242,000)
	<hr/>
At 2 November 2019	1,375,156
<b>DEPRECIATION</b>	
At 4 November 2018	455,848
Charge for period	220,051
Eliminated on disposal	(163,910)
	<hr/>
At 2 November 2019	511,989
<b>NET BOOK VALUE</b>	
At 2 November 2019	<hr/> 863,167 <hr/>
At 3 November 2018	<hr/> 755,308 <hr/>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
<b>COST</b>	
At 4 November 2018	311,000
Additions	333,250
	<hr/>
At 2 November 2019	644,250
<b>DEPRECIATION</b>	
At 4 November 2018	38,875
Charge for period	107,380
	<hr/>
At 2 November 2019	146,255
<b>NET BOOK VALUE</b>	
At 2 November 2019	<hr/> 497,995 <hr/>
At 3 November 2018	<hr/> 272,125 <hr/>

**11. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 4 November 2018 and 2 November 2019	30,000
	<hr/>
<b>NET BOOK VALUE</b>	
At 2 November 2019	<hr/> 30,000 <hr/>
At 3 November 2018	<hr/> 30,000 <hr/>

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****12. STOCKS**

	2019 £	2018 £
Finished goods	<u>1,574,943</u>	<u>1,331,904</u>

Stock recognised in cost of sales during the period as an expense was £4,207,029 (2018: £4,325,409).

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade debtors	895,656	346,740
Amounts owed by group undertakings	249,209	209,209
Other debtors	<u>1,149,656</u>	<u>211,966</u>
	<u>2,294,521</u>	<u>767,915</u>

**14. CASH AT BANK**

	2 November 2019 £	3 November 2018 £
Cash at bank and in hand	2,701,777	2,755,659
Less: bank overdrafts	<u>(199,562)</u>	<u>(756,207)</u>
	<u>2,502,215</u>	<u>1,999,452</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Bank loans and overdrafts (see note 17)	199,562	756,207
Hire purchase contracts (see note 18)	180,633	100,730
Trade creditors	1,757,548	402,640
Amounts owed to associates	60	62
Other creditors	272,496	248,438
Accrued expenses	-	46,830
	<u>2,410,299</u>	<u>1,554,907</u>

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

Obligations under finance leases and hire purchases contracts are secured against the assets to which they relate.

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Hire purchase contracts (see note 18)	<u>76,946</u>	<u>103,828</u>

Obligations under finance leases and hire purchases contracts are secured against the assets to which they relate.

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****17. LOANS**

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>199,562</u>	<u>756,207</u>

**18. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2019 £	2018 £
Net obligations repayable:		
Within one year	180,633	100,730
Between one and five years	<u>76,946</u>	<u>103,828</u>
	<u>257,579</u>	<u>204,558</u>
	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	-	<u>29,955</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

**20. RESERVES**

	Retained earnings £
At 4 November 2018	3,982,050
Profit for the period	<u>995,112</u>
At 2 November 2019	<u>4,977,162</u>

**GCH GROWERS LIMITED (REGISTERED NUMBER: 07882029)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 4 NOVEMBER 2018 TO 2 NOVEMBER 2019****21. RELATED PARTY DISCLOSURES****Entities with control, joint control or significant influence over the entity**

	2019	2018
	£	£
Sales	6,601,368	9,724,596
Purchases	4,650,295	9,507,756
Amount due from related party	892,409	346,739
Amount due to related party	172	245,609

The company had related party transactions as above during the period.

**22. POST BALANCE SHEET EVENTS**

Covid-19 is a non-adjusting post balance sheet event and it is not possible to quantify the financial effect of this although the directors believe that there is no material adverse effect on the company's ability to trade.

**23. ULTIMATE CONTROLLING PARTY**

The ultimate and immediate parent undertaking of the company is GCH Farms Holdings Limited (Company number: (09068010); a company registered in England and Wales. The registered office of GCH Farms Holdings Limited is the same as that of the company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by GCH Farms Holdings Limited. Copies of the group accounts are available to the public and can be obtained by Companies House, 80 Petty France, London, SW1H 9EX.

There is no ultimate controlling party.