

J R Holland Produce LLP

Report and Financial Statements

27 April 2016



Designated members

J Holland
H2H (Produce) Limited

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

Royal Bank of Scotland
Newcastle upon Tyne Branch
31 Grey Street
Newcastle upon Tyne
NE1 6ES

Solicitors

Eversheds
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

Registered Office

78-84 North East Wholesale Fruit and Vegetable Market,
Team Valley Trading Estate,
Gateshead,
Tyne And Wear
NE11 0RF

Members' report

The members present their report and financial statements for the period ended 27 April 2016.

Principal activity

The principal activity of the partnership is the wholesale of fruit and vegetables.

Going concern

The members have considered the LLP's current and future prospects and its availability of financing, and are satisfied that the LLP can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the members continue to adopt the going concern basis of preparation for these financial statements.

Designated members

The designated members during the period were as follows:

J Holland
H2H (Produce) Limited

Transactions with members

The designated members participate fully in the profits and share the risks of the business. All members subscribe to the firm's capital.

An individual member's capital requirement is linked to their membership status and the financing requirements of the firm. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at 'par', so retiring members are repaid their capital at 'par'.

The drawings policy is to allow a member to draw a proportion of their profit share in twelve monthly instalments with the balance of their profits being paid once the annual financial statements for that period have been formally adopted by the members. All payments are made subject to the cash requirements of the business.

Disclosure of information to auditors

So far as each person who was a member at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow members and the partnership's auditor, each member has taken all the steps that he/she is obliged to take as a member in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be proposed at the Members Annual Meeting.

On behalf of the Members

J Holland
Member

29 November 2016

Statement of members' responsibilities

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

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the relevant legislation the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing those financial statements, the members are required to:

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

The members are responsible for keeping proper accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of J R Holland Produce LLP

We have audited the financial statements of J R Holland Produce LLP for the period ended 27 April 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Members' Interests, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 the Financial Reporting Standard applicable to the UK and Republic of Ireland.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements which incorporate the member's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 27 April 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 the Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

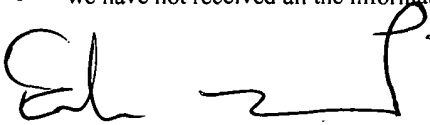
Independent auditors' report

to the members of J R Holland Produce LLP

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit



Darren Rutherford (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Newcastle upon Tyne

29 November 2016

Income Statement

for the period ended 27 April 2016

		<i>Period ended 27 April 2016 (52 weeks)</i>	<i>Period ended 29 April 2015 (53 weeks)</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Turnover	2	18,457,012	19,128,804
Cost of sales		16,218,706	16,817,028
Gross profit		2,238,306	2,311,776
Operating expenses		(1,863,944)	(1,977,555)
Operating profit	3	374,362	334,221
Interest receivable and similar income	5	116,421	125,650
Interest payable and similar charges	6	(4,849)	(9,575)
Profit on disposal of fixed assets		17,183	-
Profit for the financial period available for discretionary division among members		503,117	450,296

All activities of the business are continuing.

Statement of Comprehensive Income

for the period ended 27 April 2016

There is no other comprehensive income other than the profit attributable to the members of the partnership of £503,117 in the period ended 27 April 2016 (2015 - £450,296).

Statement of Members' Interests

for the period ended 27 April 2016

	<i>Members' capital £</i>	<i>Other amounts £</i>	<i>Other reserves £</i>	<i>Total loans and other debts due to members £</i>	<i>Amounts due from members £</i>	<i>Total £</i>
Members' interests after profit for the period brought forward	1,267,000	732,949	(970,000)	1,029,949	(628,808)	401,141
Distributions to members:						
Current period drawings	-	-	-	-	(458,039)	(458,039)
Members' interests at 29 April 2015	1,267,000	732,949	(970,000)	1,029,949	(1,086,847)	(56,898)
Profit for the period (members' remuneration)	-	503,117	-	503,117	-	503,117
Distributions to members:						
Current period drawings	-	(29,600)	-	(29,600)	(472,059)	(501,659)
Transfer	-	(355,117)	-	(355,117)	355,117	-
Members' interests at 27 April 2016	1,267,000	851,349	(970,000)	1,148,349	(1,203,789)	(55,440)

Statement of Financial Position

at 27 April 2016

	Notes	27 April 2016 £	29 April 2015 £
Fixed assets			
Intangible fixed assets	7	328,229	356,979
Tangible fixed assets	8	397,074	408,603
		<u>725,303</u>	<u>765,582</u>
Current assets			
Stock – goods for resale		181,533	96,443
Debtors – other	9	1,236,575	1,618,520
– amounts due from members		1,203,789	1,086,847
Cash at bank and in hand	13(c)	865,144	865,190
		<u>3,487,041</u>	<u>3,667,000</u>
Creditors: amounts falling due within one year	10	(3,016,247)	(3,285,459)
Net current assets		<u>470,794</u>	<u>381,541</u>
Total assets less current liabilities		<u>1,196,097</u>	<u>1,147,123</u>
Creditors: amounts falling due after more than one year	11	47,748	117,174
Net assets attributable to members		<u>1,148,349</u>	<u>1,029,949</u>
Represented by:			
Loans and other debts due to members within one year:			
Members' capital classified as a liability		1,267,000	1,267,000
Other reserves		(970,000)	(970,000)
Other amounts		851,349	732,949
		<u>1,148,349</u>	<u>1,029,949</u>
Total members' interests			
Amounts due from members		(1,203,789)	(1,086,847)
Loans and other debts due to members		1,148,349	1,029,949
		<u>(55,440)</u>	<u>(56,898)</u>

The financial statements were approved by the members on 29 November 2016 and signed on their behalf by:

J Holland

Statement of Cash Flows

for the period ended 27 April 2016

		Period ended 27 April 2016 (52 weeks)	Period ended 29 April 2015 (53 weeks)
	Notes	£	£
Net cash inflow from operating activities	13(a)	367,481	424,974
Return on investments and servicing of finance	13(b)	111,572	116,075
Capital expenditure and financial investment	13(b)	(40,130)	(26,244)
Transactions with members and former members	13(b)	(355,117)	(458,039)
Financing	13(b)	(83,852)	(57,909)
Decrease in cash in the period	13(c)	(46)	(1,143)

Reconciliation of net cash flow to movement in net funds

Change in cash in the period		(46)	(1,143)
Cash flow movements from financing		83,852	57,909
Change in net funds resulting from cash flows		83,806	56,766
Changes in net funds		83,806	56,766
Net funds at prior year	13(c)	670,167	613,401
Net funds at current year	13(c)	753,973	670,167

Notes to the financial statements

at 27 April 2016

1. Accounting policies

Statement of Compliance

J R Holland Produce LLP is a Limited Liability Partnership in England. The Registered Office is 78-84 North East Wholesale Fruit and Vegetable Market, Team Valley Trading Estate, Gateshead, Tyne and Wear, NE11 0RF. The Partnership's financial statements have been prepared, for the first time, in compliance with the provisions of FRS 102, Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in July 2014, for the period ended 27 April 2016. The Partnership transitioned from previously extant UK GAAP to FRS 102 Section 1A as at 24 April 2014. An explanation of how transition to FRS102 Section 1A has affected the reported financial position and financial performance is given in note 17.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice, "Accounting by Limited Liability Partnerships". The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £.

The financial statements are drawn up to the nearest Wednesday to the 30 April each year.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However the nature of estimation means that actual outcomes could differ from those estimates. The members consider there to be no significant judgments or sources of estimation uncertainty.

Goodwill

Purchased goodwill is capitalised in the statement of financial position and amortised over its expected useful life of 20 years.

Tangible fixed assets

The cost of fixed assets is written off by equal annual instalments over their expected useful lives as follows:

Motor vehicles	–	Over 4 to 5 years
Fixtures and fittings	–	Over 2 to 4 years
Plant and machinery	–	Over 4 to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Investments properties

Investment property is initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment property whose fair value can be measured reliably is measured at fair value. The surplus or deficit on revaluation is recognised in the income statement and accumulated in the profit and loss reserve unless a deficit below original cost or its reversal on an individual property is expected to be permanent, in which case it is recognised in the income statement for the period.

Stocks

Stocks are stated at the lower of cost on a first-in first-out basis and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to disposal.

Notes to the financial statements

at 27 April 2016

1. Accounting policies (continued)

Tax provisions

The taxation payable on profits is the personal liability of the members and is not provided for in these financial statements.

Leasing and hire purchase commitments

Assets held under hire purchase agreements are capitalised in the statement of financial position and are depreciated over their useful lives.

The capital elements of future obligations under leases are included as liabilities in the statement of financial position. The interest element of the rental obligations is charged in the income statement over the years of the agreements and represents a constant proportion of the balance of the capital repayments outstanding.

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term.

Pensions

The LLP contributes to a defined contribution pension scheme for its staff. Contributions are charged to the income statement as they become payable.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, usually on delivery of the goods, in the United Kingdom, and is attributable to the continuing principal activity of the LLP.

3. Operating Profit

This is stated after charging/(crediting):

	<i>Period ended 27 April 2016 £</i>	<i>Period ended 29 April 2015 £</i>
Audit fees – audit services	12,500	12,250
– taxation advisory and compliance	7,100	13,000
Operating lease payments – land and buildings	112,320	112,320
– other	4,526	4,598
Amortisation of goodwill	28,750	28,750
Depreciation – owned assets	28,620	36,426
– assets held under hire purchase agreements	40,222	40,222

Notes to the financial statements

at 27 April 2016

4. Staff costs

The aggregate employment costs of staff (excluding members) were:

	<i>Period ended 27 April 2016 £</i>	<i>Period ended 29 April 2015 £</i>
Salaries including redundancy costs	968,994	956,215
Social security costs	74,272	86,597
Other pension costs	19,925	19,591
	<u>1,063,191</u>	<u>1,062,403</u>

The average number of staff (excluding members) during the period was:

	<i>Period ended 27 April 2016 No.</i>	<i>Period ended 29 April 2015 No.</i>
Administration and distribution	36	36

Mr J Holland, a member, is considered to be the only key management personnel of the partnership.

5. Interest receivable and similar income

	<i>Period ended 27 April 2016 £</i>	<i>Period ended 29 April 2015 £</i>
Bank and other interest receivable	2,291	4,240
Rental income from investment property	114,130	121,410
	<u>116,421</u>	<u>125,650</u>

6. Interest payable and similar charges

	<i>Period ended 27 April 2016 £</i>	<i>Period ended 29 April 2015 £</i>
Interest payable on hire purchase agreements	1,563	3,126
Bank loan interest	3,286	6,449
	<u>4,849</u>	<u>9,575</u>

Notes to the financial statements

at 27 April 2016

7. Intangible fixed assets

	£
Cost:	
At 29 April 2015 and 27 April 2016	575,000
Amortisation:	
At 29 April 2015	218,021
Charge for period	28,750
At 27 April 2016	246,771
Net book value:	
At 27 April 2016	328,229
At 29 April 2015	356,979

8. Tangible fixed assets

	<i>Investment Properties</i>	<i>Fixtures and fittings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 29 April 2015	255,000	77,119	131,568	304,347	768,034
Additions	-	-	-	99,130	99,130
Disposals	-	-	-	(83,635)	(83,635)
At 27 April 2016	255,000	77,119	131,568	319,842	783,529
Depreciation:					
At 29 April 2015	-	55,807	108,380	195,244	359,431
Charge for period	-	8,767	8,014	52,061	68,842
Disposals	-	-	-	(41,818)	(41,818)
At 27 April 2016	-	64,574	116,394	205,487	386,455
Net book value:					
At 27 April 2016	255,000	12,545	15,174	114,355	397,074
At 29 April 2015	255,000	21,312	23,188	109,103	408,603

The net book value of fixed assets includes £16,758 (29 April 2015: £56,980) in respect of assets held under hire purchase agreements.

Notes to the financial statements

at 27 April 2016

9. Debtors

	<i>27 April 2016</i>	<i>29 April 2015</i>
	£	£
Trade debtors	1,113,005	1,269,696
Other debtors	83,631	289,021
Prepayments and accrued income	39,939	59,803
	<u>1,236,575</u>	<u>1,618,520</u>

10. Creditors: amounts falling due within one year

	<i>27 April 2016</i>	<i>29 April 2015</i>
	£	£
Bank loan (note 11)	46,797	39,452
Hire purchase due in less than one year	16,626	38,397
Trade creditors	2,369,213	2,366,799
Amounts due to related parties	502,294	763,684
Social security and other taxes	26,196	26,217
Accruals and deferred income	55,121	50,910
	<u>3,016,247</u>	<u>3,285,459</u>

11. Creditors: amounts falling due after more than one year

	<i>27 April 2016</i>	<i>29 April 2015</i>
	£	£
Hire purchase agreements	-	16,626
Bank loan	47,748	100,548
	<u>47,748</u>	<u>117,174</u>

Notes to the financial statements

at 27 April 2016

11. Creditors: amounts falling due after more than one year (continued)

	27 April 2016 £	29 April 2015 £
Hire purchase agreements are analysed as follows:		
In one year or less, or on demand	16,800	39,961
In more than one year but not more than two years	-	16,800
In two to five years	-	-
	<u>16,800</u>	<u>56,761</u>
Finance charges allocated to future periods	(174)	(1,738)
	<u>16,626</u>	<u>55,023</u>
Bank loan agreement is analysed as follows:		
Wholly repayable in less than five years	94,545	140,000
Less due in less than one year (note 10)	(46,797)	(39,452)
	<u>47,748</u>	<u>100,548</u>

12. Members' interests

The profits are divided and allocated retrospectively by agreement amongst the members. Accordingly, there is no automatic allocation of profits amongst designated members at the balance sheet date. As a result, profits available for allocation amongst the designated members at the balance sheet date is included in members' other interests. Allocated profits in excess of members' drawings are classified as amounts due to members.

Members' other interests rank after unsecured creditors, and loans and other debts due to members rank pari passu with unsecured creditors in the event of a winding up. The amount of capital each member is required to subscribe is determined by the membership agreement. A member may only withdraw capital when they cease to be a member.

One of the members of the LLP, H2H (Produce) Limited has contributed its business at fair value in return for an income and capital interest. H2H (Produce) Limited is entitled to a priority return of its capital contribution of £1,262,000 on a sale or winding up of the LLP.

Notes to the financial statements

at 27 April 2016

13. Notes to the statement of cash flows

(a) Net cash inflow from operating activities

	<i>Period ended 27 April 2016 £</i>	<i>Period ended 29 April 2015 £</i>
Operating profit	374,362	334,221
Depreciation charge	68,842	76,648
Amortisation charge	28,750	28,750
(Increase)/Decrease in stock	(85,090)	17,993
Decrease/(Increase) in debtors	235,403	(258,378)
(Decrease)/Increase in creditors	(254,786)	225,740
Net cash from operating activities	<u>367,481</u>	<u>424,974</u>

(b) Analysis of statement of cash flows headings

	<i>Period ended 27 April 2016 £</i>	<i>Period ended 29 April 2015 £</i>
Return on investments and servicing of finance:		
Rent and other interest received	116,421	125,650
Bank and other interest paid	(4,849)	(9,575)
	<u>111,572</u>	<u>116,075</u>
Capital expenditure and financial investment:		
Purchase of tangible fixed assets	(99,130)	(26,244)
Proceeds of sale of tangible fixed assets	59,000	-
	<u>(40,130)</u>	<u>(26,244)</u>

Notes to the financial statements

at 27 April 2016

13. Notes to the statement of cash flows (continued)

(b) Analysis of statement of cash flows headings (continued)

	27 April 2016 £	29 April 2015 £
Transactions with members and former members:		
Payments to and on behalf of members	(355,117)	(458,039)
	27 April 2016 £	29 April 2015 £
Financing:		
Repayment of hire purchase agreements	(38,397)	(36,833)
Repayments of bank loan	(45,455)	(21,076)
	(83,852)	(57,909)

(c) Analysis of changes in net funds

	At 29 April 2015 £	Cash flow £	Non-cash movements £	At 27 April 2016 £
Cash at bank	865,190	(46)	-	865,144
Hire purchase agreements	(55,023)	38,397	-	(16,626)
Bank loan	(140,000)	45,455	-	(94,545)
	670,167	83,806	-	753,973

14. Other financial commitments

At 27 April 2016 the company had future minimum rentals payable under non-cancellable operating leases as set out below:

	27 April 2016 Land and buildings £	29 April 2015 Land and buildings £
Total amounts payable:		
Within one year	112,320	112,320
In two to five years	449,280	449,280
Greater than 5 years	290,160	402,480
	851,760	964,080

The rent on land and buildings totalling £112,320 per annum is payable to the J Holland FURBS.

Notes to the financial statements

at 27 April 2016

15. Related party transactions

During the period the LLP made sales (net of value added tax) of £2,293,943 (2015: £2,236,492) to J R Holland Food Services Limited, a company under common control. £159,990 (2015: £304,215), inclusive of value added tax, was outstanding at the period end and is included within trade debtors.

In addition an amount of £115,183 (exclusive of value added tax) has been included in the financial statements in respect of a volume rebate to J R Holland (Food services) Limited (2015: £111,825). Unpaid rebates and recharges totalling £502,295 (2015: £763,684) are included within 'amounts due to related parties' inclusive of value added tax. Other related party trading balances totalling £9,054 (2015: £12,691) are owed to the LLP and are included within trade creditors inclusive of value added tax, and £550 is included within accruals and deferred income (2015: £176).

Rent of £112,320 (2015: £112,320) was paid to the J R Holland FURB during the period, none of which was outstanding at the period end.

16. Controlling party

In the opinion of the members, Mr J Holland has ultimate control of the limited liability partnership.

17. Transition to FRS 102

The partnership transitioned to FRS 102 previously extant UK GAAP as at 24 April 2014. There were no restatements required upon transitioning as no significant differences to existing accounting policies were noted.