

Registered number: 03844271

CHINGFORD FRUIT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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CHINGFORD FRUIT LIMITED

COMPANY INFORMATION

Directors	D Aichen L Aichen G Linsell C Oakley
Company secretary	C Oakley
Registered number	03844271
Registered office	Thames House Thames Road Crayford Kent DA1 4QP
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2nd Floor St John's House Haslett Avenue West Crawley RH10 1HS

CHINGFORD FRUIT LIMITED

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CHINGFORD FRUIT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Business review

Turnover for the year was £66.7m (2017: £105.2m) a decrease of 36.6%, primarily because the company changed its business model to meet the new requirements of its main customer. Rather than being purely an importer of fruit, the company has transformed into a provider of fruit packing, warehousing and supply chain services to growers under the Fruit Logic brand, whilst retaining a smaller importing business. Therefore volume and activity levels have actually remained broadly the same, but turnover has seen a sharp decline as the company no longer sells as much fruit. Company operating profit margin decreased from 1.9% to 0.4% due to the expected teething issues with transitioning into the new model.

The directors expect that in the year ahead the business will continue to face tough conditions, particularly with uncertainty over what Brexit will mean for our business and the sector that we operate in. The Directors are committed to taking the necessary actions to ensure that it remains in the most competitive position going forward.

Principal risks and uncertainties

Operational risk

The Company procures its fruit from around the world. The Company's procurement policy is to ensure that risk from local adverse seasonal growing conditions is hedged by having a global supplier base without reliance on any one local region.

The Company seeks to secure its long term future by improving its service and the range of services provided to its major customers by continuing to work closely with its supply base and by investing in technology and IT systems to improve efficiency.

The Company's largest customer completed an extended review of its supply chain and suppliers in the previous year. The overall outcome of that review was that turnover would decline but activity levels for our operation remain strong. The Company has entered a new model where the Company continues to be an importer but also a service provider for our growers, which is a different activity for the Company. The Company has invested in IT systems to put itself in a position where it can manage the new activity and is actively seeking additional volume to expand both activities.

Financial risk

Liquidity risk

The Company prepares regular cash flow budgets and operation budgets which are reviewed by the Board.

The Company has maintained a positive cash position and continues to invest in its people and systems to ensure that working capital efficiency is maintained.

Credit risk

The Company's principle customers remain listed UK retailers with strong credit ratings. Overdue debts are immediately highlighted with resolution procedures in place to ensure that any overdue debts are quickly resolved. The Company also has customers that are not listed UK retailers and these customers are required to complete an account opening form and are credit checked. Debts are monitored closely and action taken in accordance with our credit control policy to recover overdue debts.

Foreign currency risk

The Company makes a significant proportion of its purchases in overseas currencies. The Company's policy is to cover this exposure by either buying currency or entering into forward contracts at the same time the liability crystallises.

CHINGFORD FRUIT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

Financial key performance indicators

The Company measures performance on a regular basis through a range of systems, reports and dashboards. Financial KPI's include sales, gross margin, profit, operational cost per case, net assets and cash flow. Non-financial KPI's include health and safety targets, volumes, service levels, operational efficiency, quality measures and market share. The directors consider that these measures showed results that were generally in line with expectation throughout the year, with any issues being identified and resolved promptly.

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



C Oakley
Director

Date: 19/12/18

CHINGFORD FRUIT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Directors present their report and the financial statements for the year ended 30 September 2018.

Principal activities

The principal activities of the Company were the importing, packing, warehousing, supply chain management and marketing of fresh produce. The Company has a balanced portfolio with leading expertise in Citrus, Apples and Pears, Stone fruit, Kiwis and Organic fruits. Its main customers are UK supermarkets.

Results and dividends

The profit for the year, after taxation, amounted to £249,000 (2017: £1,568,000).

The statement of income and retained earnings is set out on page 8 and shows the result for the year. During the year a dividend of £Nil was paid (2017: £5m).

Directors

The Directors who served during the year were:

D Aichen
L Aichen
G Linsell
C Oakley

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 may differ from legislation in other jurisdictions.

CHINGFORD FRUIT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

Future developments

In the coming year the Company expects turnover to decline as it continues transition into a new model with its largest customer. The Company will continue to develop relationships with customers, and generate new business where possible.

Employee involvement

The Company has evolved consultative policies to make employees aware of the financial and economic factors affecting the Company's performance. The flow of information has been maintained by regular employee meetings. Members of the management team regularly visit sites and discuss matters of current interest and concern to the business with members of staff.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is Company policy that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Matters covered in the strategic report

Information in respect of the Business Review and Principle Risks and Uncertainties are not shown in the Directors' report because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

Disclosure of information to auditor

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.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



C Oakley
Director

Date: 19/12/18



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINGFORD FRUIT LIMITED

Opinion

We have audited the financial statements of Chingford Fruit Limited for the year ended 30 September 2018, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 30 September 2018 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 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.

Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINGFORD FRUIT LIMITED (CONTINUED)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report by 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 Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINGFORD FRUIT LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Grant Thornton UK LLP

Eleanor Walsh FCCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

Date: *19 December 2018*

CHINGFORD FRUIT LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	4	66,719	105,183
Cost of sales		(62,966)	(98,530)
Gross profit		3,753	6,653
Administrative expenses		(3,461)	(4,703)
Operating profit	5	292	1,950
Interest receivable and similar income	8	77	34
Interest payable and expenses	9	(90)	(45)
Profit before tax		279	1,939
Tax on profit	10	(30)	(371)
Profit after tax		249	1,568
Retained earnings at the beginning of the year		27,328	30,760
Profit for the year		249	1,568
Dividends declared and paid		-	(5,000)
Retained earnings at the end of the year		27,577	27,328

There was no other comprehensive income for 2018 or 2017 other than that included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

CHINGFORD FRUIT LIMITED
REGISTERED NUMBER:03844271

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	12	402	547
Tangible assets	13	916	802
Investments	14	1	1
		<u>1,319</u>	<u>1,350</u>
Current assets			
Stocks	15	997	2,071
Debtors: amounts falling due within one year	16	26,667	28,767
Cash at bank and in hand	17	8,670	10,361
		<u>36,334</u>	<u>41,199</u>
Creditors: amounts falling due within one year	18	(10,076)	(15,221)
Net current assets		<u>26,258</u>	<u>25,978</u>
Total assets less current liabilities		<u>27,577</u>	<u>27,328</u>
Net assets		<u><u>27,577</u></u>	<u><u>27,328</u></u>
Capital and reserves			
Called up share capital	20	-	-
Profit and loss account	21	27,577	27,328
		<u><u>27,577</u></u>	<u><u>27,328</u></u>

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



G Linsell
 Director
 Date: 19/12/18

The notes on pages 10 to 24 form part of these financial statements.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

Chingford Fruit Limited is a private company limited by shares, and incorporated in England and Wales. Its registered head office is located Thames House, Thames Road, Crayford, Kent, DA1 4QP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and representational currency is GBP.

Amounts are rounded to the nearest thousand (£000).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. There are no significant judgements or estimates included in these financial statements

The following principal accounting policies have been applied:

2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AG Thames Holdings Limited as at 30 September 2018 and these financial statements may be obtained from Companies House.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.3 Going concern

At the date of these accounts the Directors have carried out a detailed and comprehensive review of the business and its future prospects. In particular, they have considered the forecast future performance, anticipated cash flows and the available facilities contained in the banking arrangements. In the opinion of the Directors, the Company is expected to be able to continue trading within the current arrangements and consequently the financial statements are presented on the going concern basis.

2.4 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 risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to 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.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	5	years
Goodwill	-	10	years

2.6 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 provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Depreciation is provided on the following basis:

Plant and machinery	-	20%	on cost
Motor vehicles	-	20%	on cost
Fixtures and fittings	-	20%	on cost

2.7 Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value.

2.8 Stocks

Stock is valued at the lower of cost and net realisable value. Included within stock is the cost and an allocation of direct labour and overhead.

2.9 Debtors

The Company has an agreement with RBS whereby its trade debtors are invoice discounted, with recourse after 90 days. On the basis that the benefits and risks attaching to the debts remain with the Company, the gross debts are included as an asset within trade debtors and the proceeds received are included within bank loans and overdrafts as a liability.

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.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.10 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.

2.11 Financial instruments

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 reporting date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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 Foreign currency translation

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

2.14 Finance costs

Finance costs are charged to the Income Statement 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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.17 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 reporting 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 Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

CHINGFORD FRUIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.20 Pensions

Contributions to the Company's defined contribution pension scheme are charged to the profit and loss account in the year which they become payable.

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

Recoverability of grower loans

The Company makes available loans and advances to its fruit growers. The directors use their judgement to assess the recoverability of these amounts, taking into account factors such as whether the growers have either sufficient funds, produce or anticipated future sales of licenced varieties to honour the outstanding amounts. If the amounts are deemed to be irrecoverable, then these advances are provided for in full.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company and arises solely within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	326	346
(Profit)/ loss on disposal of tangible assets	-	(35)
Amortisation of intangible assets, including goodwill	122	145
Cost of stocks recognised as an expense	48,782	82,922
Operating lease charges and plant	200	293
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2018	2017
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	28	27
	<u> </u>	<u> </u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

7. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	5,728	8,842
Social security costs	557	876
Cost of defined contribution scheme	113	189
	<u>6,398</u>	<u>9,907</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2018 No.	2017 No.
Management	8	9
Trading Operations	196	254
	<u>204</u>	<u>263</u>

Director's emoluments are borne by another Group company.

8. Interest receivable

	2018 £000	2017 £000
Other interest receivable	<u>77</u>	<u>34</u>

9. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	54	8
Other loan interest payable	36	37
	<u>90</u>	<u>45</u>

CHINGFORD FRUIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

10. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	-	327
Adjustments in respect of previous periods	(4)	-
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	36	35
Adjustment in respect of prior years	(2)	9
	<u> </u>	<u> </u>
Total deferred tax	34	44
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	30	371
	<u> </u>	<u> </u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017: *lower than*) the standard rate of corporation tax in the UK of 19% (2017: 19.5%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	279	1,940
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.5%)	53	378
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2	2
Fixed asset differences	1	2
Group relief claimed	(15)	(5)
Adjustment to tax charge in respect of previous periods	(5)	(9)
Adjustments to tax charge in respect of prior periods - deferred tax	(2)	9
Adjustment to deferred tax for change in average rate	(4)	(6)
	<u> </u>	<u> </u>
Total tax charge for the year	30	371
	<u> </u>	<u> </u>

CHINGFORD FRUIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. Dividends

	2018 £000	2017 £000
Dividends paid	-	5,000

12. Intangible assets

	Software £000	Goodwill £000	Total £000
Cost			
At 1 October 2017	2,659	1,959	4,618
Additions	27	-	27
Transfers intra group	(150)	-	(150)
At 30 September 2018	2,536	1,959	4,495
Amortisation			
At 1 October 2017	2,112	1,959	4,071
Charge for the year	122	-	122
Transfers intra group	(100)	-	(100)
At 30 September 2018	2,134	1,959	4,093
Net book value			
At 30 September 2018	402	-	402
At 30 September 2017	547	-	547

CHINGFORD FRUIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 October 2017	3,268	43	3,780	7,091
Additions	407	-	115	522
Transfers intra group	-	-	(244)	(244)
Disposals	-	(6)	-	(6)
At 30 September 2018	<u>3,675</u>	<u>37</u>	<u>3,651</u>	<u>7,363</u>
Depreciation				
At 1 October 2017	2,852	43	3,394	6,289
Charge for the year on owned assets	194	-	132	326
Transfers intra group	-	-	(162)	(162)
Disposals	-	(6)	-	(6)
At 30 September 2018	<u>3,046</u>	<u>37</u>	<u>3,364</u>	<u>6,447</u>
Net book value				
At 30 September 2018	<u>629</u>	<u>-</u>	<u>287</u>	<u>916</u>
At 30 September 2017	<u>416</u>	<u>-</u>	<u>386</u>	<u>802</u>

CHINGFORD FRUIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2017	2,035
At 30 September 2018	2,035
Impairment	
At 1 October 2017	2,034
At 30 September 2018	2,034
Net book value	
At 30 September 2018	1
At 30 September 2017	1

The investment represents a shareholding in Migrant Fruit Limited and Fruit Logic Limited, wholly owned subsidiary undertakings incorporated in England and Wales that were dormant as at 30 September 2018.

15. Stocks

	2018 £000	2017 £000
Raw materials and consumables	637	1,684
Packaging materials	360	387
	997	2,071

There is no material difference between the replacement cost of stocks and the amounts stated above.

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

16. Debtors

	2018 £000	2017 £000
Trade debtors	8,679	9,242
Amounts owed by group undertakings	13,465	14,935
Amounts owed by joint ventures and associated undertakings	13	-
Other debtors	3,388	3,367
Prepayments and accrued income	1,011	1,078
Deferred taxation	111	145
	<u>26,667</u>	<u>28,767</u>

The Company has established a flexible debt finance facility with RBS through which the majority of its trade debtors are discounted, with recourse after 90 days. The gross amount of these trade debtors is shown above. The Company has drawn down advances totalling £Nil (2017: £Nil).

Amounts receivable from group companies are repayable on demand and held at 0% interest.

All amounts shown under debtors fall due for payment within one year apart from advances to growers of £Nil (2017: £Nil) included in other debtors.

17. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	8,670	10,361
Less: bank overdrafts	-	(87)
	<u>8,670</u>	<u>10,274</u>

CHINGFORD FRUIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

18. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Bank overdrafts	-	87
Bank loans	2,000	2,000
Trade creditors	3,961	5,740
Amounts owed to group undertakings	296	612
Amounts owed to related parties	-	77
Corporation tax	-	336
Other taxation and social security	170	241
Other creditors	659	991
Accruals and deferred income	2,985	5,100
Financial instruments	5	37
	<u>10,076</u>	<u>15,221</u>

Interest is payable on the bank loan at 2% p.a. over the Bank of England base rate.

Amounts payable to group companies and related parties are repayable on demand and held at 0% interest.

19. Deferred taxation

	2018	2017
	£000	£000
At beginning of year	145	189
Charged to statement of income	(34)	(44)
At end of year	<u>111</u>	<u>145</u>

The deferred tax asset is made up as follows:

	2018	2017
	£000	£000
Accelerated capital allowances	111	138
Short term differences	-	7
	<u>111</u>	<u>145</u>

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

20. Share capital

	2018 £	2017 £
Authorised		
100,000 (2017 - 100,000) Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

21. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

Called-up share capital

Represents the nominal value of shares that have been issued.

22. Group guarantees

The Company and certain other UK group companies have entered into cross guarantees in respect of bank overdraft (if any) and other facilities available which have group limits of £2,914,000 (2017: £2,914,000). The security given represents a first fixed and floating charge over all assets of the relevant companies.

At the balance sheet date these were being utilised to the extent of £2,000,000 (2017: £2,000,000).

23. Commitments under operating leases

At 30 September 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	110	194
Later than 1 year and not later than 5 years	47	158
	<u>157</u>	<u>352</u>

CHINGFORD FRUIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

24. Related party transactions

The Company has taken advantage of the exemption under FRS102 not to disclose transactions with other entities that fall within the group of companies owned 100% by the ultimate holding company.

Transactions with related parties which are not 100% owned by the ultimate holding company are as follows:

Chingford Fruit Limited's ultimate parent company, AG Thames Holdings Limited, owns 50% of Les Domaines UK Limited. During the period, the Company purchased goods and services in the ordinary course of business from Les Domaines UK Limited of £3,315,000 (2017: £3,053,000), and recharged expenses of £132,000 (2017: £130,000) to that company. As at 30 September 2018, the Company owes Les Domaines UK Limited £11,000 (2017: £77,000) and is owed £24,000 (2017: £Nil) by the same company.

Solstor UK Limited and Chingford Fruit Limited share common ownership. During the period, the Company purchased goods and services in the ordinary course of business from Solstor UK Limited of £1,995,000 (2017: £3,414,000), and recognised turnover from services supplied of £430,000 (2017: £634,000) from that company. As at 30 September 2018, the Company owed Solstor UK Limited £40,000 (2017: £35,000) and was owed £26,000 (2017: £150,000) by the same company.

During the year, the Company made sales of £2,000 (2017: £2,000) to Profresh Solutions Limited. Profresh Solutions Limited is a joint venture company of Solstor UK Limited.

25. Controlling party

At 30 September 2018 the Company's ultimate parent company was AG Thames Holdings Limited which is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements AG Thames Holdings Limited are available from the registered office.

The Company's controlling party is Mr Leon Aichen, by of his shareholding in the ultimate parent company.