

Company registration number 03255798 (England and Wales)

SUNCROP PRODUCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

Affinia
10 - 12 Mulberry Green
Old Harlow
Essex
CM17 0ET

SUNCROP PRODUCE LIMITED

COMPANY INFORMATION

Directors	Mr R S Hall Mr D R Lynch Mr A J Woodcock	(Appointed 14 March 2024)
Secretary	Mrs J M Whatley	
Company number	03255798	
Registered office	Chilterns Commonside Road Harlow Essex CM18 7EZ	
Auditor	Affinia (Harlow) Swift House Ground Floor 18 Hoffmans Way Chelmsford, Essex	

SUNCROP PRODUCE LIMITED

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SUNCROP PRODUCE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present the strategic report for the year ended 30 September 2024.

Principal activities

The company's principal activity during the year was wholesale merchandising of fresh fruit and vegetables to UK supermarkets. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes to the company's activities in the next year.

REVIEW OF THE BUSINESS

Current year revenue increased by £3,836,281 on the prior year to £54,173,539 but as a result of increased costs across the majority of cost and overhead categories, the operating profit was down by £999,879 to £533,028 from £1,532,907.

As the cost of energy is a significant cost for key suppliers of produce and packing services, the company has, following the year end, installed CHP engines at its main UK supplier and solar panels have been installed at its packing supplier, which together should have a significant positive impact on the cost of goods purchased, thus improving operating profit in the future.

The company continues to pursue a policy of expanding and developing its sourcing of products so as to further stabilise the business in continued, difficult market conditions.

In a highly competitive industry, the Directors foresee incremental growth and are confident that the business can continue to adapt to market trends and pressures.

PRINCIPAL RISKS AND UNCERTAINTIES

Currency Risk

Much of the company's winter programmes are sourced from Europe, currency positions and exchange rate movements are constantly monitored and a mixture of spot and forward buying of Euros being implemented.

Credit Risk

The company's main customer is a nationally recognised, well-established company resulting in minimal exposure to credit risk.

Energy Risk

To mitigate against energy supply and price risk there have been key developments at the company's main suppliers of UK product and packaging services. A CHP system has been installed at its main UK product supplier and solar panels have been installed at its packaging supplier.

Liquidity Risk

Cash flow is regularly monitored and a stringent credit control policy has been adopted by the management.

Price Risk

Whilst prices with growers are agreed in advance, they are discounted during promotional periods with the customer, the promotional activity is reviewed at the end of each season to assess their effectiveness.

Supply Risk

Supply of produce is shared by a number of suppliers, reducing the risk of non-supply when produce is scarce. Suppliers' performance is reviewed at the end of each season and adjustments are made if necessary.

SUNCROP PRODUCE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

CLIMATE CHANGE AND ENVIRONMENTAL RISK MANAGEMENT

The Directors recognise that the effects of climate change, particularly extreme heat, drought and flooding, are likely to threaten several countries in the world and may have a significant impact on businesses operating in those countries.

Our key suppliers of produce are based in Africa, throughout Europe and the UK. As a business we regularly review the services offered by our suppliers, this includes consideration of the certainty of future supply, and thus supplier business location. We recognise that climate change considerations will become increasingly important over the coming years when procuring our produce.

One of our Directors has interests in a number of our suppliers, both produce and packing services, and is therefore able to exert some control on those businesses response to Climate Change risk.

Regarding the environment, the company seeks to increase the proportion of its records that are maintained electronically and of the paper it does use, over 90% of its paper consumption is recycled.

The company aims for continuous improvement in our approach to alleviating climate change, improving our environmental performance and comply with all the relevant rules and regulations.

KEY PERFORMANCE INDICATORS

The directors/management of the company have identified Gross and Net margin analysis, Daily Cash Flow review and forecasting, Stock Management, Profitability by Customer/Supplier and Profitability by Product as being critical to the success of the business.

In addition to the standard management tools above, the management have continued to develop their energy matrix to ensure that the current market conditions are accounted for.

Management Reports are regularly produced providing a foundation for sound management of the company's affairs.

As set out in the Review of Business section above the company has worked with its key suppliers of produce and services which should result in increased profitability for the company in the future.

2024 2023

Gross Margin % 4.17% 5.40%

Net Margin % 0.82% 2.94%

Inventory Days 2 days 3 days

On behalf of the board

Mr D R Lynch
Director

30 June 2025

SUNCROP PRODUCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The directors present their annual report and financial statements for the year ended 30 September 2024.

Results and dividends

The results for the year are set out on page 8.

The total distribution of dividends for the year ended 30th September 2024 will be £nil (2023: £129,064).

Directors

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

Mr R S Hall	(Appointed 14 March 2024)
Mr D R Lynch	
Mr A J Woodcock	

Auditor

The auditors, Affinia (Harlow), will be proposed for re-appointment at the forthcoming Annual General Meeting.

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

Statement of disclosure to auditor

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

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

SUNCROP PRODUCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

On behalf of the board

Mr D R Lynch

Director

30 June 2025

SUNCROP PRODUCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNCROP PRODUCE LIMITED

Opinion

We have audited the financial statements of Suncrop Produce Limited (the 'company') for the year ended 30 September 2024 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2024 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

SUNCROP PRODUCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNCROP PRODUCE LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the fresh produce sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and food safety act legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

SUNCROP PRODUCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUNCROP PRODUCE LIMITED (CONTINUED)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Tested a sample of revenue recognised either side of the period end to ensure revenue had been recognised in the correct period;
- Reviewed the internal controls in place, specifically around payroll and bank transactions; and
- Assessed whether judgements and assumptions made in determining the accounting estimates around depreciation, accruals and accrued income were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and the company's legal advisors.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Laurence Miles (Senior Statutory Auditor)

For and on behalf of Affinia (Harlow), Statutory Auditor
Chartered Accountants
Swift House, Ground Floor, 18 Hoffmans Way
Chelmsford
Essex
CM1 1GU
30 June 2025

SUNCROP PRODUCE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	54,173,539	50,337,258
Cost of sales		(51,915,318)	(47,617,486)
Gross profit		2,258,221	2,719,772
Administrative expenses		(2,000,790)	(1,289,056)
Other operating income		275,597	102,191
Operating profit	5	533,028	1,532,907
Interest receivable and similar income	8	26,032	7,543
Interest payable and similar expenses	9	(114,076)	(58,780)
Profit before taxation		444,984	1,481,670
Tax on profit	10	(121,163)	(210,511)
Profit for the financial year		323,821	1,271,159

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SUNCROP PRODUCE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		59,770		80,534
Investment property	13		3,450,000		3,450,000
			<u>3,509,770</u>		<u>3,530,534</u>
Current assets					
Stocks	14	296,623		322,647	
Debtors	15	10,851,467		10,765,205	
Cash at bank and in hand		371,303		1,299,781	
			<u>11,519,393</u>		<u>12,387,633</u>
Creditors: amounts falling due within one year	16	(7,786,212)		(10,706,249)	
Net current assets			<u>3,733,181</u>		<u>1,681,384</u>
Total assets less current liabilities			<u>7,242,951</u>		<u>5,211,918</u>
Creditors: amounts falling due after more than one year	17		(1,720,484)		(13,272)
Provisions for liabilities					
Deferred tax liability	20	122,736		122,736	
			<u>(122,736)</u>		<u>(122,736)</u>
Net assets			<u><u>5,399,731</u></u>		<u><u>5,075,910</u></u>
Capital and reserves					
Called up share capital	23		100		100
Fair value reserve			545,751		545,751
Capital redemption reserve			50		50
Profit and loss reserves			4,853,830		4,530,009
Total equity			<u><u>5,399,731</u></u>		<u><u>5,075,910</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2025 and are signed on its behalf by:

Mr D R Lynch
Director

Company registration number 03255798 (England and Wales)

SUNCROP PRODUCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	Share capital £	Fair value reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2022		100	545,751	50	3,387,914	3,933,815
Year ended 30 September 2023:						
Profit and total comprehensive income		-	-	-	1,271,159	1,271,159
Dividends	11	-	-	-	(129,064)	(129,064)
Balance at 30 September 2023		100	545,751	50	4,530,009	5,075,910
Year ended 30 September 2024:						
Profit and total comprehensive income		-	-	-	323,821	323,821
Balance at 30 September 2024		100	545,751	50	4,853,830	5,399,731

SUNCROP PRODUCE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	27	218,422		1,286,508	
Interest paid		(114,076)		(58,780)	
Income taxes paid		(336,687)		(213,022)	
Net cash (outflow)/inflow from operating activities		(232,341)		1,014,706	
Investing activities					
Purchase of tangible fixed assets		(59,496)		(36,334)	
Proceeds from disposal of tangible fixed assets		-		130,849	
Proceeds from disposal of investment property		-		(2,608)	
Proceeds from disposal of subsidiaries		-		2,608	
Repayment o Directorf loans		(759,022)		(5,000)	
Interest received		26,032		7,543	
Net cash (used in)/generated from investing activities		(792,486)		97,058	
Financing activities					
Repayment of bank loans		264,876		(117,341)	
Advance of finance lease obligations		45,000		-	
Dividends paid		-		(129,064)	
Net cash generated from/(used in) financing activities		309,876		(246,405)	
Net (decrease)/increase in cash and cash equivalents		(714,951)		865,359	
Cash and cash equivalents at beginning of year		1,054,544		189,185	
Cash and cash equivalents at end of year		339,593		1,054,544	
Relating to:					
Cash at bank and in hand		371,303		1,299,781	
Bank overdrafts included in creditors payable within one year		(31,710)		(245,237)	

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Company information

Suncrop Produce Limited is a private company limited by shares incorporated in England and Wales. The registered office is Chilterns, Commons Road, Harlow, Essex, CM18 7EZ.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. This expectation is based upon a formal agreement with customers in securing future sales volumes and price increases.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents that sales of goods and rendering of services.

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

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

Other income

Rendering of Services

The entity recognises revenue (the rendering of services) by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably;
- and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.4 Tangible fixed assets

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

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

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

Fixtures and fittings	25% on cost
Motor vehicles	25% on cost

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

1.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

The subsequent measurement of the investment criteria has switched to cost less accumulated impairment from the fair value model. Under FRS 102, if a reliable measure is no longer available the entity must measure the asset at its carrying value as at the last date the asset was reliably measured. This becomes the new cost and must be measured at cost less any impairment until a reliable measure of fair value becomes available.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

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

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

As lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2 Judgements and key sources of estimation uncertainty

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

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

Valuation of investment properties

The fair value of investment properties were last determined in 2022 and now form the "cost" of the asset. The fair value was determined by external property valuation experts to the estimated amount for which property should exchange on the date of valuation in an arms length transaction. The valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors ('RICS') valuation and the experts used recognised valuation techniques applying factors such as current market conditions, annual rentals and contractual terms of leases.

3 Turnover and other revenue

	2024 £	2023 £
Turnover analysed by class of business		
Sale of goods	52,404,797	48,893,818
Rendering of services	1,015,787	862,499
Recharges	752,955	580,941
	<u>54,173,539</u>	<u>50,337,258</u>
	2024 £	2023 £
Other revenue		
Interest income	26,032	7,543
Grants received	39,816	26,544
	<u></u>	<u></u>

All income originated and was delivered within the UK.

4 Exceptional item

	2024 £	2023 £
Expenditure		
Exceptional item - Admin costs (incl in Admin range)	-	(572,151)
	<u></u>	<u></u>

In 2023, the profit on sale of the freehold property was presented within administrative expenses in the Statement of Comprehensive Income.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

5 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(39,816)	(26,544)
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	26,000
Depreciation of owned tangible fixed assets	68,241	60,300
Loss/(profit) on disposal of tangible fixed assets	12,018	(3,000)
(Profit)/loss on disposal of investment property	-	2,608
Operating lease charges	15,501	15,172
	<u> </u>	<u> </u>

6 Employees

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

	2024	2023
	Number	Number
Management	2	2
Admin	12	12
	<u> </u>	<u> </u>
Total	14	14
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	941,867	867,696
Social security costs	119,262	114,600
Pension costs	17,481	17,002
	<u> </u>	<u> </u>
	1,078,610	999,298
	<u> </u>	<u> </u>

7 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	405,200	392,162
Company pension contributions to defined contribution schemes	1,321	1,541
	<u> </u>	<u> </u>
	406,521	393,703
	<u> </u>	<u> </u>

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

7 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024 £	2023 £
Remuneration for qualifying services	265,200	235,200

8 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	22,244	6,944
Other interest income	3,788	599
Total income	26,032	7,543

	2024 £	2023 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	22,244	6,944

9 Interest payable and similar expenses

	2024 £	2023 £
Other finance costs:		
Other interest	114,076	58,780

10 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	122,686	209,931
Deferred tax		
Origination and reversal of timing differences	(1,523)	580
Total tax charge	121,163	210,511

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024 £	2023 £
Profit before taxation	444,984	1,481,670
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	111,246	281,517
Tax effect of expenses that are not deductible in determining taxable profit	9,917	1,513
Tax effect of income not taxable in determining taxable profit	-	(108,817)
Gains not taxable	-	5,866
	-	(496)
	-	30,928
Taxation charge for the year	121,163	210,511

11 Dividends

	2024 £	2023 £
Interim paid	-	129,064

12 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 October 2023	553,474	141,881	695,355
Additions	9,496	50,000	59,496
Disposals	(96,150)	(90,000)	(186,150)
At 30 September 2024	466,820	101,881	568,701
Depreciation and impairment			
At 1 October 2023	481,889	132,932	614,821
Depreciation charged in the year	46,792	21,449	68,241
Eliminated in respect of disposals	(84,131)	(90,000)	(174,131)
At 30 September 2024	444,550	64,381	508,931
Carrying amount			
At 30 September 2024	22,270	37,500	59,770
At 30 September 2023	71,585	8,949	80,534

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

13 Investment property

	2024
	£
Fair value	
At 1 October 2023 and 30 September 2024	3,450,000

Investment property was valued on an open market basis on 30 September 2022 by Savills UK.

As described within the accounting policies for investment property and judgements and estimates, the asset is now held at cost less accumulated impairment until a reliable measure of its fair value becomes available.

14 Stocks

	2024	2023
	£	£
Finished goods and goods for resale	296,623	322,647

15 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	4,455,758	5,029,597
Corporation tax recoverable	2,315	-
Other debtors	6,311,571	5,632,679
Prepayments and accrued income	63,241	88,370
	10,832,885	10,750,646
Deferred tax asset (note 20)	14,582	13,059
	10,847,467	10,763,705
Amounts falling due after more than one year:		
Other debtors	4,000	1,500
Total debtors	10,851,467	10,765,205

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

16 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	18	107,277	1,740,413
Obligations under finance leases	19	9,000	-
Trade creditors		4,734,582	5,854,882
Corporation tax		-	211,686
Other taxation and social security		33,233	34,149
Government grants	21	-	26,544
Other creditors		2,539,490	2,567,231
Accruals and deferred income		362,630	271,344
		<u>7,786,212</u>	<u>10,706,249</u>

17 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	18	1,684,484	-
Obligations under finance leases	19	36,000	-
Government grants	21	-	13,272
		<u>1,720,484</u>	<u>13,272</u>
Creditors which fall due after five years are payable as follows:			
Payable by instalments		1,602,669	-
		<u>1,602,669</u>	<u>-</u>

18 Loans and overdrafts

	2024 £	2023 £
Bank loans	1,760,051	1,495,176
Bank overdrafts	31,710	245,237
	<u>1,791,761</u>	<u>1,740,413</u>
Payable within one year	107,277	1,740,413
Payable after one year	1,684,484	-
	<u>1,791,761</u>	<u>1,740,413</u>

Fixed and floating charges are held over:

Burstwick Nurseries, Main Street, Burstwick, Hull, HU12 9EB

Debentures held over the bank accounts.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

19 Finance lease obligations

	2024	2023
	£	£
Future minimum lease payments due under finance leases:		
Within one year	9,000	-
In two to five years	36,000	-
	<u>45,000</u>	<u>-</u>

The above liabilities are secured on the assets concerned.

20 Deferred taxation

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

	Liabilities 2024 £	Liabilities 2023 £	Assets 2024 £	Assets 2023 £
Balances:				
Accelerated capital allowances	-	-	14,582	13,059
Investment property	122,736	122,736	-	-
	<u>122,736</u>	<u>122,736</u>	<u>14,582</u>	<u>13,059</u>
	<u><u>122,736</u></u>	<u><u>122,736</u></u>	<u><u>14,582</u></u>	<u><u>13,059</u></u>
Movements in the year:				2024 £
Liability at 1 October 2023				109,677
Credit to profit or loss				(1,523)
				<u>108,154</u>
Liability at 30 September 2024				<u><u>108,154</u></u>

21 Government grants

	2024 £	2023 £
Arising from government grants	-	39,816
	<u>-</u>	<u>39,816</u>
Included in the financial statements as follows:		
Current liabilities	-	26,544
Non-current liabilities	-	13,272
	<u>-</u>	<u>39,816</u>
	<u><u>-</u></u>	<u><u>39,816</u></u>

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

22 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	17,481	17,002

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

24 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2024 £	Sales 2023 £	Purchases 2024 £	Purchases 2023 £
Eco-Pak Limited	2,004,755	1,284,324	10,534,850	7,799,070
Suncrop Espana	-	-	1,412,006	1,573,792
Suncrop Growers Limited	1,739,002	875,347	3,534,225	3,961,656
World Produce Services BV	-	-	-	365,628

All trading transactions have been undertaken within the arm's length principle.

Suncrop Espana was disposed of to Mr D Lynch in June 2023. It is therefore no longer exempted from the disclosure of it's trade and balances. The trade and balances above are for the whole year.

	2024 £	2023 £
Amounts due to related parties		
Eco Pak Limited	844,614	1,595,785
Suncrop Growers Limited	1,171,477	1,321,470
World Produce Services BV	140,745	178,068

All of the above balances are in relation to trading transactions and have have been undertaken within the arm's length principle.

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

24 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2024	2023
	£	£
Amounts due from related parties		
Eco-Pak Limited	83,747	-
Suncrop Espana	1,201,127	122,338
Suncrop Growers Limited	275,599	357,669

Other information

Non-Trading Loans

The company has loaned £677,000 (2023: £677,000) to Bluebridge Holdings Limited, a company in which Mr D Lynch is a director and shareholder. The loan is interest free and repayable on demand.

The company also loaned a total of £1,485,545 (2023: £1,485,545) to Suncrop Growers Limited, a 100% owned subsidiary company of Bluebridge Holdings Limited. The loan is interest free and repayable on demand.

The company also loaned a total of £689,196 (2023: £689,196) to Eco-pack Limited, a 95% owned subsidiary company of New Blue Horizon Limited, a company controlled by Mr D Lynch. The loan is interest free and repayable on demand.

The company also loaned a total of £1,201,127 (2023: £1,201,127) to Suncrop Espana, a company of controlled by Mr D Lynch. The loan is interest free and repayable on demand.

The company has been loaned a total of £58,950 (2022: £58,590) by World Produce Limited, a 70% owned subsidiary company of Bluebridge Holdings Limited. The loan is interest free and repayable on demand.

Guarantee's

Unlimited guarantee has been given by related parties: Bluebridge Holdings Limited, Eco-Pak Limited, Blue Horizon Limited and Suncrop Growers Limited.

Other

The investment property is being let rent free to Suncrop Growers Limited in both the current and prior year.

25 Directors' transactions

Dividends totalling £nil (2023 - £129,064) were paid in the year in respect of shares held by the company's directors.

Loans have been granted interest free and are repayable on demand.

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
D R Lynch	-	722,668	876,147	(117,125)	1,481,690
A J Woodcock	-	2,046	-	-	2,046
		724,714	876,147	(117,125)	1,483,736

26 Ultimate controlling party

SUNCROP PRODUCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

26 Ultimate controlling party

(Continued)

The controlling party is Mr D R Lynch by virtue of the ownership of 51% of the share capital.

27 Cash generated from operations

	2024 £	2023 £
Profit after taxation	323,821	1,271,159
Adjustments for:		
Taxation charged	121,163	210,511
Finance costs	114,076	58,780
Investment income	(26,032)	(7,543)
Loss/(gain) on disposal of tangible fixed assets	12,018	(3,000)
(Gain)/loss on disposal of investment property	-	2,608
Depreciation and impairment of tangible fixed assets	68,241	60,300
Movements in working capital:		
Decrease in stocks	26,024	46,605
Decrease/(increase) in debtors	676,598	(963,910)
(Decrease)/increase in creditors	(1,057,671)	637,543
Decrease in deferred income	(39,816)	(26,545)
Cash generated from operations	218,422	1,286,508

28 Analysis of changes in net debt

	1 October 2023 £	Cash flow £	30 September 2024 £
Cash at bank and in hand	1,299,781	(928,478)	371,303
Bank overdrafts	(245,237)	213,527	(31,710)
	<u>1,054,544</u>	<u>(714,951)</u>	<u>339,593</u>
Borrowings excluding overdrafts	(1,495,176)	(264,875)	(1,760,051)
Lease liabilities	-	(45,000)	(45,000)
	<u>(440,632)</u>	<u>(1,024,826)</u>	<u>(1,465,458)</u>

