

Greenvale AP Limited
REPORT AND FINANCIAL STATEMENTS

For the year ended 27 August 2022

Greenvale AP Limited

CONTENTS

	Pages
Directors and officers	1
Strategic report	2 – 5
Directors' report	6 – 7
Directors' responsibilities	8
Independent Auditor's Report	9 – 12
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Accounting policies	16 – 20
Notes to the financial statements	21 – 35

Greenvale AP Limited

DIRECTORS AND OFFICERS

Directors

A Armstrong

D Rankin

A Ferguson

P McCaul

N Arbuckle

Registered office

7 The Forum

Minerva Business Park

Lynch Wood

Peterborough

PE2 6FT

Auditors

RSM UK Audit LLP

Chartered Accountants

Fifth Floor

Central Square

29 Wellington Street

Leeds

LS1 4DL

Greenvale AP Limited

STRATEGIC REPORT

For the year ended 27 August 2022

The directors present their report and financial statements of Greenvale AP Limited for the year ended 27 August 2022.

Principal activities

The principal activities of the company are the growing, sourcing, packing and sale of fresh potatoes. It also supplies seed potatoes.

Review of the business and future developments

Revenue declined by £6.3m from £105.4m to £99.1m. The reduction was due to loss of volume in the Fresh business offset by small inflationary price increases. The Seed business also saw its volumes impacted by disruption in the export market, which has stabilised at the end of 2022.

The business reported an EBITDA before exceptional items of £2.1m compared to £1.5m in the prior year. The operating loss for continuing operations before exceptional items was £0.7m compared to a £1.7m loss in the prior period. This reflects the challenging trading conditions seen across the sector. Loss before taxation after exceptional items of £0.9m was £2.4m, compared to £1.0m for the previous period, which is broadly in line with prior year when excluding the exceptional credit in FY21 driven by a gain from a loan waiver that was owed by a subsidiary company. Exceptional items of £0.9m relate to the restructuring costs of Fresh packing sites (see note 6 for further information).

The net assets of the business increased by £1.3m due to a reduction in pension scheme liabilities (see note 24) and increased stock values driven by the absorption of a subsidiary company offset by higher creditors at the year end.

Directors' duty to promote the success of the company

The directors of the company have a duty to promote the success of the company under section 172 of the Companies Act 2006, such duties summarised as follows.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

The directors have fulfilled their duties in this regard through the following means:

- Annual review of the company's strategy (described elsewhere in this report and financial statements), combined with regular review of delivery of this strategy via monitoring of KPIs and the incorporation of strategic objectives and actions into regular performance management meetings and reports;
- Incorporating the company's people at the centre of its strategy, combined with regular and effective employee engagement,
- Maintaining strong and effective relationships, which is critical to the business, with its customers, suppliers and other stakeholders,
- Ensuring that the company uses its position and actions to create positive change for the people and communities with which it interacts,
- Remaining committed to a high reputation for high standards of business conduct, and maintaining a culture within the business that values such high standards,
- Remaining engaged, for example by regular meetings, with members of the company.

Greenvale AP Limited

STRATEGIC REPORT

For the year ended 27 August 2022

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to several risks. The key risks affecting the company are set out below:

Competition

The company operates in a highly competitive market, particularly around price and product availability/quality. In order to mitigate this risk, we continually monitor market prices and routinely undertake customer reviews to fully understand our customers' requirements in order to ensure that their expectations are fully met.

We maintain a constant programme of innovation within our product range as well as formal and regular new product development meetings with all our customers in order to retain our current position of preferred supplier.

Employees

The company's performance depends largely on its regional managers and local staff. The loss of key individuals or the inability to recruit people with the right level of experience and skills locally could adversely impact the company's results. In order to mitigate these risks the company has a rolling programme for employees to enhance continuous learning and skills improvements and has implemented a number of incentive schemes linked to the company's overall results that are designed to retain key individuals.

Supply Chain

Given the company's focus on product availability and freshness it sources its products locally, nationally and internationally. Throughout this sourcing portfolio the company ensures effective supplier selection and procurement practices to minimise the overall risk that is inherent within the fresh produce supply chain.

Post balance sheet events

There have been no events of significance to merit disclosure after the balance sheet reporting date.

Going concern

The financial statements have been prepared on a going concern basis. The directors have not identified any material uncertainties which would affect the ability of the company to continue to trade for a period of at least 12 months from the date of these financial statements. Further details of the going concern assessment are included in the accounting policies.

Financial risk management

Credit risk

Company policies are aimed at minimising any potential exposure and require that deferred terms are only offered where customers demonstrate an appropriate payment history and satisfy credit worthiness procedures. Credit limits are subject to regular review to ensure that limits remain appropriate to the circumstances of each customer.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets. The company also manages liquidity risk via revolving credit facilities and long-term debt.

Interest rate risk

The company manages this risk, where significant, by fixing interest rate payments using interest rate swaps where payments are variable and hence exposed to interest rate movements. There were none in place at the year end.

Greenvale AP Limited

STRATEGIC REPORT

For the year ended 27 August 2022

Key performance indicators

The Board assesses performance using several financial and non-financial key performance indicators (KPIs). These are regularly reviewed as to their appropriateness and measured continuously to monitor performance and comparative efficiencies across the group.

The principal financial KPIs monitored by the Board are EBITDA (operating profit before interest and similar charges, tax, depreciation and amortisation, and before exceptional items) and operating profit. This enables the Board to monitor overall segment profitability. Profitability of the business is considered further in the review of the business at the start of the strategic report.

By order of the board



A Armstrong
Director
25 January 2023

Greenvale AP Limited

DIRECTORS' REPORT

For the year ended 27 August 2022

Results and dividends

The results for the year are set out on page 13.

During the year no dividend was paid to the shareholders (2021: no dividend).

Directors

The following directors have held office during the year and to the date of this annual report:

A Armstrong

D Rankin

A Clarkson (resigned September 2022)

A Ferguson

G Urmston (resigned May 2022)

P McCaul

J Reid (resigned April 2022)

B Scaife (resigned September 2022)

D Spikings (resigned December 2021)

N Arbuckle (appointed 1 January 2022)

Research and development

Research and development continues in three major areas: developing new and improved potato varieties with increased resistance to potato diseases in conjunction with the James Hutton Institute; treatments and products to assist in the storage of potatoes.

Directors and officers insurance

The group has purchased insurance against directors and officers liability for the benefit of the directors and officers of the group (including its subsidiaries).

Employee involvement and engagement

The directors recognise the benefits which arise from keeping employees informed of the company's progress and through their participation in the company's performance.

One means of engaging with employees is a regular business update, open to all employees, to enable employees to engage directly with the business, its directors and senior management, understand business performance and strategy and to ask questions of, and make comments to, senior personnel. The company also conducts regular staff surveys and employs similar feedback and consultation processes to ensure that employee interests are considered in decision-making.

The company places people at the heart of its strategy, such that the contribution of its people, and its impact on employees, is critical to forming strategy.

Disabled persons

It is the company's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities are based on a realistic assessment of their aptitudes and abilities. Wherever possible, the company will continue the employment of persons who become disabled during their employment with the company through retraining, acquisition of special aids/equipment or the provision of alternative employment.

Greenvale AP Limited

DIRECTORS' REPORT

For the year ended 27 August 2022

Streamlined Energy and Carbon Reporting (SECR)

The directors of the company consider their energy and climate change obligations, in relation to reducing energy use and carbon emissions, as critical to the company's values and strategy.

The company has implemented numerous energy efficiency actions during the year ended 27 August 2022. These actions include the replacement of Diesel Fuel Forklift Trucks with LPG Fuel, Optimisation of the temperature of chilled water that passes through the processing plants at both main sites in the Greenvale business and the continuous installation of LED lighting upgrades across numerous sites.

The energy and carbon use key metrics within the Greenvale businesses are as follows:

	Year ended 27 August 2022	Year ending 28 August 2021	% change
Energy consumption (kWh)			
Electricity	8,060,862	9,072,672	(11%)
Natural gas and LPG	2,913,354	2,565,206	14%
Renewable energy produced / consumed	2,528,657	2,312,235	9%
Other including vehicles	7,122,562	6,829,550	4%
Total gross emissions (tCO ₂ e)	4,342	4,599	(5%)
Intensity ratio (tCO ₂ e/t)	0.026	0.022	18%

The methodology used to record this data is from invoices from energy suppliers and comparing data across periods using historical profiles. Energy and fuel consumption has been converted to carbon (tCO₂e) using the DEFRA published conversion factors. Fuel for Transportation has been converted using statistical data sets published by Department of Transport.

The amount of bought in electricity reduced in 2022 with a corresponding increase in renewable energy being generated and consumed as a result of the wind turbine situated at one of the main pack houses being operational for most of the year.

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. This includes any important events affecting the company since the end of the financial year, future developments and financial risk management.

Auditors

RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue to act as auditors to the company.

Greenvale AP Limited
DIRECTORS' REPORT
For the year ended 27 August 2022

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they 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 it has been communicated to the auditor.

By order of the board



A Armstrong
Director
25 January 2023

Greenvale AP Limited

DIRECTORS' RESPONSIBILITIES

For the year ended 27 August 2022

The directors are responsible for preparing the Strategic Report and 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 period. 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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.

Greenvale AP Limited

INDEPENDENT AUDITORS REPORT

For the year ended 27 August 2022

Opinion

We have audited the financial statements of Greenvale AP Limited (the ‘company’) for the year ended 27 August 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 27 August 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Greenvale AP Limited

INDEPENDENT AUDITORS REPORT

For the year ended 27 August 2022

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 the audit:

- the information given in the strategic report and the directors' report for the financial period 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.

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 and 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 set out on page 8, 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.

Greenvale AP Limited

INDEPENDENT AUDITORS REPORT

For the year ended 27 August 2022

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations and inspected supporting documentation.

The audit engagement team identified the risk of management override of controls and revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and substantive testing in relation to revenue recognition and revenue cut-off procedures.

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

Greenvale AP Limited

INDEPENDENT AUDITORS REPORT

For the year ended 27 August 2022

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.

Michael Thornton

MICHAEL THORNTON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Fifth Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

30/01/23

Greenvale AP Limited
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 27 August 2022

	<i>Notes</i>	Year ended 27 August 2022 £'000	Year ended 28 August 2021 £'000
Turnover	2	99,134	105,433
Raw materials and consumables used		(60,436)	(64,060)
Other external charges		(7,529)	(7,119)
Staff costs	7	(18,748)	(18,977)
Depreciation and other amounts written off tangible and intangible fixed assets	10, 11	(2,810)	(3,273)
Other operating charges		(10,356)	(13,744)
Exceptional items	6	(899)	1,141
Loss from operations		(1,644)	(599)
Other interest receivable and similar income	3	16	15
Fair value adjustment in respect of trade investment		70	-
Interest payable and similar charges	4	(822)	(439)
Loss before taxation		(2,380)	(1,023)
Tax credit	9	453	633
Loss after taxation and loss for the financial period		(1,927)	(390)
Other comprehensive income			
Actuarial gain on defined benefit plan	24	5,645	1,106
Tax charge relating to actuarial movements	9	(1,411)	(277)
Total comprehensive income for the period		2,307	439

Greenvale AP Limited
STATEMENT OF FINANCIAL POSITION
At 27 August 2022

Company Registration No.3163230

	<i>Notes</i>	27 August 2022 £'000	31 August 2021 £'000
FIXED ASSETS			
Other intangible assets	<i>10</i>	1,144	1,680
Tangible assets	<i>11</i>	10,025	10,885
Investments	<i>12</i>	15,069	14,970
		<hr/>	<hr/>
		26,238	27,535
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	<i>13</i>	3,184	2,302
Biological Assets	<i>14</i>	1,899	-
Debtors	<i>15</i>	34,135	32,475
Cash at bank and in hand		1,583	3,693
		<hr/>	<hr/>
		40,801	38,470
		<hr/>	<hr/>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	<i>16</i>	(39,453)	(32,700)
		<hr/>	<hr/>
NET CURRENT ASSETS			
		1,348	5,770
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		27,586	33,305
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	<i>17</i>	(567)	(2,445)
Defined benefit pension scheme liability	<i>24</i>	(3,487)	(9,635)
		<hr/>	<hr/>
NET ASSETS			
		23,532	21,225
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	<i>20</i>	3,043	3,043
Share premium account	<i>21</i>	6,923	6,923
Capital redemption reserve	<i>21</i>	595	595
Profit and loss account	<i>21</i>	12,971	10,664
		<hr/>	<hr/>
TOTAL EQUITY			
		23,532	21,225
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 13 to 35 were approved by the board of directors and authorised on 25 January 2023 for issue and are signed on its behalf by:



A Armstrong
Director

Greenvale AP Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 27 August 2022

	<i>Notes</i>	Share capital	Share premium	Capital redemption reserve	Profit and loss account	Total
		£'000	£'000	£'000	£'000	£'000
Balance at 1 September 2020		3,043	6,923	595	10,225	20,786
Loss for the period		-	-	-	(390)	(390)
Other comprehensive income:						
Actuarial gains on defined benefit plans	24	-	-	-	1,106	1,106
Tax relating to actuarial gains	9	-	-	-	(277)	(277)
Total comprehensive loss for the year		-	-	-	439	439
Balance at 28 August 2021		3,043	6,923	595	10,664	21,225
Loss for the period		-	-	-	(1,927)	(1,927)
Other comprehensive income:						
Actuarial gain on defined benefit plans	24	-	-	-	5,645	5,645
Tax relating to actuarial gains	9	-	-	-	(1,411)	(1,411)
Total comprehensive income for the year		-	-	-	2,307	2,307
Balance at 27 August 2022		3,043	6,923	595	12,971	23,532

Greenvale AP Limited

ACCOUNTING POLICIES

For the year ended 27 August 2022

General information

Greenvale AP Limited (the “company”) is a private company limited by shares domiciled and incorporated in England and Wales. The address of the company’s registered office and place of business is 7 The Forum, Minerva Business Park, Lynch Wood, Peterborough, PE2 6FT.

The company’s principal activities and the nature of the company’s operations are disclosed in the Strategic Report and the Directors’ Report.

Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Reduced disclosures

The company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 ‘Basic Financial Instruments’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Produce Investments Limited. The consolidated financial statements of Produce Investments Limited can be obtained from Produce Investments Limited, Greenvale AP, 7 The Forum, Minerva Business Park, Lynch Wood, Peterborough, PE2 6FT.

Going concern

The directors consider the going concern basis to be appropriate following their assessment of the company’s financial position and its ability to meet its obligations as and when they fall due. In making their assessment they have taken into account the following:

- The capital structure and liquidity of the company;
- The financial performance of the group since the balance sheet date;
- The current base case trading projections and cash flow forecasts for the company.

This review led the directors to conclude that the group could still meet its obligations as they fall due and that the going concern basis was appropriate.

Functional and presentational currencies and foreign currency transactions

The financial statements are presented in sterling which is also the functional currency of the company. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

Greenvale AP Limited

ACCOUNTING POLICIES

For the year ended 27 August 2022

Turnover

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

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 despatch of the goods. For some customers, the risks and rewards or ownership pass to the buyer when the goods arrive with the buyer. However, given that sales are principally fresh food products that arrive with the buyer within hours of despatch, the date of despatch and the date of arrival is typically the same, and any overnight goods in transit on the last day of the period are not adjusted for on the grounds of materiality.

Revenue is recognised on confirmed delivery to the customer for seed potatoes.

Other income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Intangible fixed assets – other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Purchased computer software	2 to 10 years
-----------------------------	---------------

Research and development

All expenditure on research and development is written off as incurred.

Tangible fixed assets

Tangible fixed assets, which include assets held for resale, are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	- 5 to 50 years
Plant and machinery	- 5 to 15 years
Fixtures, fittings and equipment	- 2 to 10 years

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in profit or loss.

Fixed asset investments

Trade investments are initially measured at transaction amount and subsequently measured at cost less any accumulated impairment losses.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs incurred in bringing each product to its present location and condition. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Greenvale AP Limited

ACCOUNTING POLICIES

For the year ended 27 August 2022

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Leases

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in profit and loss. Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in profit and loss on a straight line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The company operates a defined benefit pension scheme and defined contribution pension schemes, all of which require contributions to be made to separately administered funds.

For defined benefit schemes the amount charged to profit or loss in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the period, adjusted to reflect variations from that cost. Net interest on the net benefit liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets. Net interest is recognised within interest payable.

Greenvale AP Limited

ACCOUNTING POLICIES

For the year ended 27 August 2022

Retirement benefits (continued)

Defined benefit schemes are funded with the assets held separately from the company in separate trustee administered funds. A liability is recognised in the statement of financial position in respect of the defined benefit plan which represents the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. A full valuation of the liability is calculated by an independent actuary every three years and updated on an annual basis using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Past-service costs are recognised immediately in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

A pension scheme asset is recognised in the statement of financial position limited to the present value of available refunds or reductions in future contributions to the plan. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

From 31 October 2007, the defined benefit scheme ceased to accrue benefits. Accordingly there are no ongoing current service costs. The company will fund the scheme to ensure it can meet its obligations as they fall due.

For defined contribution schemes the amount charged to profit or loss in respect of pension costs and other post-retirement benefits are the contributions payable in the year. The company contributes to a stakeholder scheme and personal pension plans of certain employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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, in full, to all financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Trade debtors, amounts owed by group undertakings and accrued income are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Impairment of financial assets

Financial assets are assessed for indications of impairment at each reporting date. Financial assets are impaired when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the financial asset over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

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

Greenvale AP Limited

ACCOUNTING POLICIES

For the year ended 27 August 2022

Financial instruments (continued)

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Non-equity shares

Shares are analysed between equity and non-equity shares, dependent on the rights attaching to the shares, and non-equity shares are classed as basic financial liabilities. Dividends on preference shares classed as financial liabilities are presented within interest payable and other charges.

Basic financial liabilities

Basic financial liabilities, including trade creditors, amounts owed to group undertakings, bank loans and accruals and preference shares that are classified as debt, are initially recognised at transaction price and subsequently carried at amortised cost.

For borrowings amortised cost is measured using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other charges. For all other basic financial liabilities amortised cost is transaction price, less amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Greenvale AP Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 August 2022

1. Critical accounting estimates and areas of judgement

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of defined benefit pension obligations requires estimation of future changes in salaries and inflation, as well as mortality rates, the expected return on assets and the selection of a suitable discount rate. Defined benefit pension obligations at the reporting date were valued at £3.5m (2021: £9.6m) (see note 24).

The Company reviews intangible assets on an annual basis for impairment. This requires judgement in estimating the future economic life of these assets, and the appropriate rate of amortisation. Intangible assets, as presented in these financial statements, includes purchased tangible computer hardware and intangible software, as it is impractical to distinguish all aspects of cost between hardware and software where there is mutual reliance and consulting has related to both aspects. The value of intangible assets at the reporting date was £1.4m (2021: £1.7m) (see note 10).

The Company reviews tangible asset values on an annual basis. These values rely on judgement of the future economic lives of tangible assets, and therefore the rate of depreciation applied to tangible assets. The value of tangible assets at the reporting date was £10.0m (2021: £10.9m) (see note 11).

The company has recognised a deferred tax asset in relation to timing differences in relation to pension scheme liabilities and tax losses. The directors are of the opinion that sufficient taxable profits will be generated in the future to enable this asset to be realised.

The measurement of defined benefit pension obligations requires estimation of future changes in salaries and inflation, as well as mortality rates, the expected return on assets and the selection of a suitable discount rate. Defined benefit pension obligations at the reporting date were valued at £3.5m (2021: £9.6m) – see note 7 for further details.

2. Turnover

An analysis of the company's turnover by class of business is as follows:

	2022	2021
	£'000	£'000
Fresh	73,940	79,194
Trading and Seed	25,194	26,239
	<u>99,134</u>	<u>105,433</u>

An analysis of the geographical location of the company's turnover is as follows:

	2022	2021
	£'000	£'000
Geographical location:		
UK	94,648	100,635
Other EU countries	482	672
Rest of the world	4,004	4,126
	<u>99,134</u>	<u>105,433</u>

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

3. Interest receivable and similar income

	2022	2021
	£'000	£'000
Other interest received	16	15
	<u>16</u>	<u>15</u>
	<u><u>16</u></u>	<u><u>15</u></u>

4. Interest payable and similar expenses

	2022	2021
	£'000	£'000
Interest arising on bank loans and overdrafts	601	228
Interest on Intercompany loans	54	33
Net interest on the defined pension liability (see note 24)	144	178
Interest on finance leases	23	-
	<u>822</u>	<u>439</u>
	<u><u>822</u></u>	<u><u>439</u></u>

5. Loss before taxation

	2022	2021
	£'000	£'000
Loss before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	2,165	2,708
Loss/(Profit) on disposal of tangible fixed assets excluding those in exceptional costs	155	(38)
Research and development expenditure	20	30
Amortisation of intangible fixed assets	650	645
Operating lease rentals	773	1,019
Exceptional costs/(credit) (note 6)	899	(1,141)
Exchange losses	5	80
	<u>5</u>	<u>80</u>
	<u><u>5</u></u>	<u><u>80</u></u>

Fees payable to RSM UK Audit LLP and its associates ("RSM") in respect of both audit and non-audit services are as follows:

	2022	2021
	£'000	£'000
Audit services – statutory audit of the company	88	80
	<u>88</u>	<u>80</u>
	<u><u>88</u></u>	<u><u>80</u></u>

In addition, the company bore amounts payable to RSM in respect of other group companies during the period. These amounts totalled £42,000 (2021: £39,000) for audit services.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

6. Exceptional items

The Company has identified several transactions in both the current and prior periods which, due to their nature and size, the Directors consider exceptional. The Directors identify exceptional items as being one off in nature, non-recurring and at a value considered significant enough to warrant separate presentation.

	2022	2021
	£'000	£'000
Restructuring and redundancy costs	899	195
Guaranteed Minimum Pension (GMP) equalisation	-	59
Intragroup Loan Waiver	-	(1,395)
	899	(1,141)

During the year, the group incurred further costs in the course of its programme to rationalise and restructure operations, the majority of which were redundancy costs. The costs were primarily associated with overhead reduction and a reconfiguration of the fresh potato packing capacity following a volume reduction in a major contract to enable a lower cost, more efficient packing footprint for the future.

In the prior year, following the GMP legislation ruling in 2019 the Group estimated a further obligation of £59,000 required to equalise the members' benefits. The additional obligation was a past service cost and was recognised as exceptional in the income statement.

A credit of £1,395,000 was also recognised in the prior period relating to the write off a loan balance owed to a subsidiary of the group.

7. Employees

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

	2022	2021
	Number	Number
Production and warehouse	380	388
Management and administration	74	77
	454	465

Staff costs for the above persons:

	2022	2021
	£'000	£'000
Wages and salaries	16,505	16,780
Social security costs	1,505	1,395
Defined contribution pension costs	738	802
	18,748	18,977

Wages and salaries include agency labour amounting to £2,105,000 (2021: £1,922,000).

Greenvale AP Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 August 2022

8. Directors' remuneration

	2022	2021
	£'000	£'000
Emoluments for qualifying services	1,055	1,390
Company pension contributions to money purchase scheme	269	233
Total emoluments	<u>1,324</u>	<u>1,623</u>

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

	2022	2021
	£'000	£'000
Emoluments for qualifying services	216	281
Total emoluments	<u>216</u>	<u>281</u>

Retirement benefits are accruing to one director (2021: one director) within the company's defined benefit pension scheme and to eight (2021: eight) directors in defined contribution pension schemes.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

9. Taxation	2022 £'000	2021 £'000
Current tax:		
UK corporation tax	(452)	(68)
Adjustments in respect of prior periods	(67)	(73)
Total current tax credit	<u>(519)</u>	<u>(141)</u>
Deferred taxation:		
Origination and reversal of timing differences	80	(48)
Adjustment in respect of previous periods	(40)	99
Effects of changes in tax rates	26	(543)
Total deferred tax charge/(credit)	<u>66</u>	<u>(492)</u>
Tax credit on loss	<u>(453)</u>	<u>(633)</u>
Factors affecting tax charge for period:		
Loss before tax	<u>(2,380)</u>	<u>(1,023)</u>
Loss by standard rate of corporation tax in the UK of 19% (2021: 19.0%)	(452)	(194)
Effects of:		
Adjustment in respect of prior periods	(107)	26
Expenses not deductible for tax purposes	42	52
Income not taxable for tax purposes	-	(66)
Change in tax rate	26	(543)
Other timing differences	38	92
Tax credit	<u>(453)</u>	<u>(633)</u>

In addition to the amount credited to profit or loss a charge of £1,411,000 (2021: £277,000) has been recognised in comprehensive income. This relates to an increase in deferred tax assets arising from gains on the defined benefit pension scheme.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

10. Intangible fixed assets

	Computer hardware & software £'000	Goodwill £'000	Total £'000
Cost:			
At 29 August 2021	4,540	166	4,706
Additions	81	-	81
Reclass*	30	-	30
At 27 August 2022	<u>4,651</u>	<u>166</u>	<u>4,817</u>
Amortisation:			
At 29 August 2021	2,860	166	3,026
Charged in the period	650	-	650
Reclass*	(3)	-	(3)
At 27 August 2022	<u>3,507</u>	<u>166</u>	<u>3,673</u>
Net book value:			
At 27 August 2022	<u>1,144</u>	<u>-</u>	<u>1,144</u>
At 28 August 2021	<u>1,680</u>	<u>-</u>	<u>1,680</u>

11. Tangible fixed assets

	Land & buildings freehold £'000	Plant & machinery £'000	Total £'000
Cost:			
At 29 August 2021	10,409	22,829	33,238
Additions	23	1,347	1,370
Disposals	-	(132)	(132)
Reclass*	(17)	34	17
At 27 August 2022	<u>10,415</u>	<u>24,078</u>	<u>34,493</u>
Depreciation:			
At 29 August 2021	7,376	14,977	22,353
Charge in the period	209	1,956	2,165
Disposals	-	(100)	(100)
Reclass*	(70)	120	50
At 27 August 2022	<u>7,515</u>	<u>16,953</u>	<u>24,468</u>
Net book value:			
At 27 August 2022	<u>2,900</u>	<u>7,125</u>	<u>10,025</u>
At 28 August 2021	<u>3,033</u>	<u>7,852</u>	<u>10,885</u>

*Reclassifications within intangible fixed assets and tangible fixed assets relates to historical classification corrections to agree to the Company's fixed asset register.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

11. Tangible fixed assets (continued)

The gross book value of freehold land and buildings includes £555,000 (2021: £555,000) of non-depreciable assets.

The net book value of plant and machinery includes £190,000 (2021: £nil) in respect of assets held under finance leases and hire purchase contracts.

12. Fixed asset investments

	Trade Investments £'000	Subsidiary undertakings £'000	Total £'000
Cost and net book value			
At 28 August 2021	76	14,894	14,970
Revaluation	99	-	99
At 27th August 2022	175	14,894	15,069

The company holds an investment of 33.3% in Organic Potato Growers (Scotland) Limited a company incorporated in Scotland which is involved in the growing of potatoes. Organic Potato Growers (Scotland) Limited reports its financial performance with a year end of 31 May. The following table illustrates summarised unaudited financial information of the group's investment in Organic Potato Growers (Scotland) Limited:

	2022 £'000	2021 £'000
Share of the associate's statement of financial position:		
Fixed assets	739	772
Current assets	256	396
Current liabilities	(576)	(513)
Creditors: amounts falling due after more than one year	(244)	(550)
Equity	175	105
Share of the associate's profit and loss:		
Turnover	595	603
Profit	21	12

The company's subsidiary undertakings are:

<i>Subsidiary undertaking</i>	<i>Aggregate share capital and reserves at year end £'000</i>	<i>Profit and loss for the year £'000</i>	<i>Class</i>	<i>Shares held</i>	<i>Nature of business</i>
The Jersey Royal Company	13,963	(1,314)	Ordinary	100%	Potato Grower

The Jersey Royal Company registered office is The Jersey Royal Company Limited, PO Box 437, 1st Floor, Kensington Chambers, 46/50 Kensington Place, St Helier, Jersey, JE4 0ZE.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

13. Stocks		
	2022	2021
	£'000	£'000
Raw materials and consumables	3,092	2,238
Finished goods	92	64
	<u>3,184</u>	<u>2,302</u>
	<u><u>3,184</u></u>	<u><u>2,302</u></u>

14. Biological Assets		
	2022	2021
	£'000	£'000
Cost:		
At the beginning of the period	-	-
Transferred from another group company*	2,258	-
Growing costs incurred	5,718	-
Released to profit and loss	(6,077)	-
	<u>1,899</u>	<u>-</u>
	<u><u>1,899</u></u>	<u><u>-</u></u>

* The biological asset relates to own grown potatoes that were previously recognised in Greenvale Growing Limited (another group company). During the year the trade and assets of Greenvale Growing Limited was absorbed into the Company.

15. Debtors		
	2022	2021
	£'000	£'000
Trade debtors	11,040	11,757
Amounts owed by group undertakings other than subsidiaries	20,972	16,951
Corporation tax	31	-
Other debtors	338	740
Prepayments and accrued income	1,194	990
	<u>33,575</u>	<u>30,438</u>
	<u><u>33,575</u></u>	<u><u>30,438</u></u>
Deferred tax asset (note 19)	560	2,037
	<u>34,135</u>	<u>32,475</u>
	<u><u>34,135</u></u>	<u><u>32,475</u></u>

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

16. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Bank loans	6,298	6,301
Finance Leases	340	220
Trade creditors	11,882	8,005
Amounts owed to subsidiary undertakings	6,132	11,136
Amounts owed to group undertakings other than subsidiaries	9,875	3,613
Other taxation and social security costs	456	489
Pension contributions payable	140	91
Corporation tax	-	33
Accruals and deferred income	4,330	2,812
	<u>39,453</u>	<u>32,700</u>

Borrowings

The bank loan is secured by fixed and floating charges over certain of the Company's assets.

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

	2022	2021
	£'000	£'000
Finance leases	567	535
Amounts owed to group undertakings other than subsidiaries	-	1,910
	<u>567</u>	<u>2,445</u>

In the prior year, an intercompany funding loan is owed by the company, with interest being charged at 3.1% over BASE per annum (2021: 3.1% over LIBOR).

18. Finance lease and hire purchase contracts

Obligations under finance leases and hire purchase contracts are secured by the related assets and bear finance charges at rates ranging from 1.48% to 3.42% per annum (2021: 1.48% per annum).

	2022	2021
	£'000	£'000
The total future minimum lease payments are payable:		
Within one year	340	220
Between one and five years	567	535
After five years	-	-
	<u>907</u>	<u>755</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period and no restrictions are placed on the use of the assets. The average lease term is 4 years (2021: 4 years). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The company's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 11.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

19. Provisions for liabilities

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes.

	Liabilities 2022 £'000	Liabilities 2021 £'000	Assets 2022 £'000	Assets 2021 £'000
Excess of tax allowances over depreciation	367	434	-	-
Retirement benefit obligations	-	-	(891)	(2,420)
Losses and other deductions	-	-	(36)	(51)
	<u>367</u>	<u>434</u>	<u>(927)</u>	<u>(2,471)</u>

Movements in the period:

	£'000
(Asset) at 29 August 2021	(2,037)
Adjustments in respect of prior years	(39)
Credit to profit or loss	105
Charge to other comprehensive income	1,411
(Asset) at 27 August 2022	<u>(560)</u>

20. Share capital

Allotted, issued and fully paid:

	2022 £'000	2021 £'000
750,000 Ordinary shares of £1 each	750	750
2,292,000 'B' Preference shares of £1 each	2,293	2,293
	<u>3,043</u>	<u>3,043</u>

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

'B' Preference shares

The 'B' preference shares carry no right to fixed income and no voting rights.

21. Reserves

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

22. Capital commitments

	2022	2021
	£'000	£'000
Contracted for but not provided in the financial statements	-	203
	<u> </u>	<u> </u>

23. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for premises (property) and plant and machinery are as follows:

<i>Premises</i>	2022	2021
	£'000	£'000
Amounts due:		
Within one year	45	45
Between one and five years	26	72
More than five years	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

<i>Plant & Machinery</i>	2022	2021
	£'000	£'000
Amounts due:		
Within one year	494	721
Between one and five years	809	512
More than five years	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Greenvale AP Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 August 2022

24. Retirement benefits

The Company operates a defined contribution stakeholder scheme and personal pension plan for various employees, the assets of which are held separately from those of the Company in independently administered funds. Contributions to these defined contribution pension plans for the period amounted to £738,000 (2021: £802,000).

The Company also operates a Defined Benefit Scheme, the Greenvale Produce Pension Plan. The benefits provided by the Plan are final salary defined benefits with the contributions paid by the Company on a balance of cost basis. The plan is run by the Trustees of the Plan who ensure that the plan is run in accordance with the Trust Deed & Rules of the Plan and complies with legislation. The trustees are required by law to fund the Plan on prudent funding assumptions under the Trust Deed & Rules of the Plan. The contributions payable by the Company to fund the plan are set by Trustees after consulting the Company. The assets of the plan are invested in managed funds with Legal & General Investment Management. The Plan closed for all accrual on 31 October 2007.

The trustees use the defined accrued benefits method for determining funding. This method is suitable for funding a scheme that is closed for future accrual. The Company paid contributions of £644,000 (2021: £619,000). In addition, the Company pays all the costs of administering the plan and any levies required by the Pensions Protection Fund and the Pensions Regulator.

The following list is not exhaustive but covers the main risks for the plan. Some of the risks can be reduced by adjusting the funding strategy with the help of the Trustees, for example: investment matching risk. Other risks cannot easily be removed, for example: longevity risk, and the Company must be aware of these risks and ask the Trustees to monitor them closely.

Investment Return Risk: If the assets underperform returns assumed in setting funding targets, then additional contributions may be required.

Investment Matching Risk: The Plan invests primarily in equity type assets. If equity type assets fall in value significantly, additional contributions may be required.

Longevity Risk: If future improvements in mortality exceed the assumptions made then additional contributions may be required.

Legislative Risk: Government may introduce overriding legislation which leads to an increase in the value of Plan benefits.

Solvency Risk: As the funding target is not a solvency target, the assets of the Plan may not be sufficient to provide all members with the full value of their benefits on a Plan wind up.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

24. Retirement benefits (continued)

The company's defined benefit scheme obligations are as follows:

	2022	2021
	£'000	£'000
Present value of defined benefit obligations	(31,912)	(46,123)
Fair value of plan assets	28,426	36,488
Plan deficit per statement of financial position	<u>(3,486)</u>	<u>(9,635)</u>

Changes in the present value of the defined benefit obligation are as follows:

	2022	2021
	£'000	£'000
Defined benefit obligation at start of period	(46,123)	(42,785)
Interest expense	(705)	(700)
Past service cost	-	(59)
Remeasurements of obligation		
- Financials	-	-
- Demographics	13,692	(3,291)
- Experience	-	-
Benefits paid	1,224	712
Defined benefit obligation at the end of the period	<u>(31,912)</u>	<u>(46,123)</u>

Changes in the fair value of plan assets are as follows:

	2022	2021
	£'000	£'000
Fair value of plan assets at start of period	36,488	31,662
Interest on plan assets	561	522
Contribution by employer	648	619
Benefits paid	(1,224)	(712)
Actual return on plan assets less interest	(8,047)	4,397
Fair value of plan assets at the end of period	<u>28,426</u>	<u>36,488</u>

The actual return on plan assets was £7,486,000 (2021: £4,919,000 loss).

Amounts recognised in profit and loss are as follows:

	2022	2021
	£'000	£'000
Interest cost on obligations	(705)	(700)
Interest on plan assets	561	522
Net finance costs	<u>(144)</u>	<u>(178)</u>
Past service cost recognised within exceptionals	-	(59)
	<u>(144)</u>	<u>(237)</u>

All plan costs are met directly by the company and form part of staff costs.

The company expects to contribute at least £667,000 to the defined benefit pension plan in the year ended August 2023, assuming no changes to current agreed funding plans.

Greenvale AP Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 27 August 2022

24. Retirement benefits (continued)

The analysis of scheme assets at the reporting date were as follows:

	2022	2021
	£'000	£'000
Fair Value of plan assets:		
Equities	15,983	18,925
Corporate Bonds	12,283	17,457
Cash	160	106
	<u>28,426</u>	<u>36,488</u>

The plan assets are held exclusively within instruments with quoted market prices in an active market with the exception of cash. The plan does not invest directly in property owned by the group, or in shares issued by the group.

The principal assumptions used in determining pension obligations for the plan are shown below:

	2022	2021
	%	%
Discount rate	3.95	1.55
Expected rate of return on assets	3.95	1.65
Future salary increase	n/a	n/a
Future pension increase	3.30	3.10
Inflation (RPI) assumption	3.60	3.30
Inflation (CPI) assumption	<u>3.10</u>	<u>2.50</u>

The underlying mortality assumption is based upon the standard table known as S3NXA with scaling factors of 103% for males and 105% for females and with CMI_2021 projection model with a long term improvement rate of 1.25% p.a. (2021: same with the CMI_2018 projection model). This results in the following life expectancies:

	2022	2021
	Years	Years
For a male aged 65 now	87	87
For a female aged 65 now	<u>89</u>	<u>89</u>

25. Contingent liabilities

The company has provided a composite cross guarantee to its bankers in respect of bank borrowings with group companies. At the end of the period the total bank borrowings of the group companies amounted to £16,670,000 (2021: £25,286,000).

Greenvale AP Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 August 2022

26. Related party transactions

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

Organic Potato Growers (Scotland) Limited (OPG) is a potato grower in which the group owns a 33.3% interest. During the year the company made purchases from OPG of £480,000 (2021: £374,000) and sales to OPG of £52,000 (2021: £14,000). At the reporting date the company was owed £nil by OPG (2021: £16,000) and owed OPG £nil (2021: £40,000).

Restrain Company Limited is a company in which the group owns an 80% interest. During the year, the company made recharges to Restrain Company Limited of £487,000 (2021: £237,000) and purchased goods and services from Restrain Company Limited totalling £103,000 (2021: £104,000). At the reporting date the company owed Restrain Company Limited £1,931,000 (2021: £1,910,000). This is an intercompany funding loan on which interest is charged. The rate for the period was 3.1% (2021: 3.1%).

27. Post balance sheet events

There have been no events of significance to merit disclosure after the balance sheet reporting date.

28. Ultimate parent company and ultimate controlling party

The immediate parent undertaking is Produce Investments Limited, a company registered in England and Wales. The largest and smallest group for which consolidated financial statements are prepared, for the year ended 27 August 2022, is headed by Produce Investments Limited, registered in England and Wales, whose address is Produce Investments Limited, Greenvale AP, 7 The Forum, Minerva Business Park, Lynch Wood, Peterborough, PE2 6FT.

The company's ultimate controlling party at the balance sheet date was Promethean 2019 L.P., registered in Jersey.