

Financial Statements

Gregal (UK) Limited

For the Year Ended 30 September 2017

Registered number: 02995690



Gregal (UK) Limited

Company Information

| | |
|-----------------------------|---|
| Directors | A Serrano Garcia (resigned 18 November 2016) A Aparicio Garcia F Lopez Blasco (appointed 18 November 2016) |
| Company secretary | B J Waltham |
| Registered number | 02995690 |
| Registered office | Hawthorn Bank Spalding Lincolnshire PE11 1JJ |
| Independent auditors | Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH |
| Bankers | Royal Bank of Scotland 14-15 Hereward Cross Peterborough PE1 1TB |

Gregal (UK) Limited

Contents

| | Page |
|--|---------------|
| Independent auditors' report | 1 - 4 |
| Balance sheet | 5 |
| Notes to the financial statements | 6 - 12 |



Independent auditors' report to the shareholders of Gregal (UK) Limited

Opinion

We have audited the financial statements of Gregal (UK) Limited for the year ended 30 September 2017, set out on pages 5 to 12. 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 2017 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Independent auditors' report to the shareholders of Gregal (UK) Limited (continued)**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the shareholders of Gregal (UK) Limited (continued)**Matters on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.



Independent auditors' report to the shareholders of Gregal (UK) Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

A handwritten signature in black ink that reads "Grant Thornton UK LLP".

Christopher Frostwick (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Senior Statutory Auditor
Leicester

Date: 6 . 12 . 2017.

Gregal (UK) Limited
Registered number:02995690

Balance sheet
As at 30 September 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 5,779 | 9,172 |
| Current assets | | | |
| Stocks | 5 | 1,436 | 907 |
| Debtors: amounts falling due within one year | 6 | 405,751 | 414,320 |
| Cash at bank and in hand | 7 | 1,014,824 | 1,020,713 |
| | | <u>1,422,011</u> | <u>1,435,940</u> |
| Creditors: amounts falling due within one year | 8 | (729,177) | (738,259) |
| Net current assets | | <u>692,834</u> | <u>697,681</u> |
| Total assets less current liabilities | | <u>698,613</u> | <u>706,853</u> |
| Provisions for liabilities | | | |
| Deferred tax | 9 | (834) | (1,378) |
| | | <u>(834)</u> | <u>(1,378)</u> |
| Net assets | | <u><u>697,779</u></u> | <u><u>705,475</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Profit and loss account | | 697,679 | 705,375 |
| | | <u><u>697,779</u></u> | <u><u>705,475</u></u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

F Lopez-Blasco
 Director

Date:

5.12.2017

The notes on pages 6 to 12 form part of these financial statements.

Gregal (UK) Limited

Notes to the financial statements For the Year Ended 30 September 2017

1. General information

Gregal (UK) Limited is a company limited by shares. It is incorporated in England and its registered office is Hawthorn Bank, Spalding, Lincolnshire, PE11 1JJ.

The company is principally engaged in the distribution of fresh produce.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The following principal accounting policies have been applied:

2.2 Revenue

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

Sale of goods

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

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

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the financial statements
For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|---|---|-------------------|
| Fixtures, fittings and office equipment | - | 25% straight line |
|---|---|-------------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Notes to the financial statements
For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

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

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**Notes to the financial statements
For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 4).

Gregal (UK) Limited

Notes to the financial statements For the Year Ended 30 September 2017

4. Tangible fixed assets

| | Fixtures, fittings and office equipment £ |
|-------------------------------------|---|
| Cost or valuation | |
| At 1 October 2016 | 13,679 |
| Disposals | (420) |
| At 30 September 2017 | <u>13,259</u> |
| Depreciation | |
| At 1 October 2016 | 4,507 |
| Charge for the year on owned assets | 3,393 |
| Disposals | (420) |
| At 30 September 2017 | <u>7,480</u> |
| Net book value | |
| At 30 September 2017 | <u>5,779</u> |
| At 30 September 2016 | <u>9,172</u> |

5. Stocks

| | 2017 £ | 2016 £ |
|-------------------------------|--------------|------------|
| Raw materials and consumables | <u>1,436</u> | <u>907</u> |

Stock purchases recognised in cost of sales during the year as an expense was £4,978,565 (2016 - £5,427,377).

Gregal (UK) Limited

Notes to the financial statements For the Year Ended 30 September 2017

6. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 377,895 | 385,384 |
| Other debtors | 22,471 | 23,451 |
| Prepayments and accrued income | 5,385 | 5,485 |
| | <u>405,751</u> | <u>414,320</u> |

7. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | <u>1,014,824</u> | <u>1,020,713</u> |

8. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 478,434 | 525,595 |
| Amounts owed to group undertakings | 98,483 | 59,489 |
| Corporation tax | 37,493 | 37,720 |
| Other taxation and social security | 6,976 | 6,937 |
| Accruals and deferred income | 107,791 | 108,518 |
| | <u>729,177</u> | <u>738,259</u> |

Gregal (UK) Limited

Notes to the financial statements For the Year Ended 30 September 2017

9. Deferred taxation

| | 2017 £ | 2016 £ |
|----------------------------|--------------|----------------|
| At beginning of year | (1,378) | (318) |
| Credited to profit or loss | 544 | (1,060) |
| At end of year | (834) | (1,378) |

The provision for deferred taxation is made up as follows:

| | 2017 £ | 2016 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | (834) | (1,378) |

10. Pension commitments

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. The pension cost charge for the period was £8,808 (2016 - £8,430).

11. Controlling party

The ultimate parent undertaking and controlling related party of this company is Gregal Sociedad Co-operativa which is registered in Spain.

Goods with a final sales value of £4,802,777 (2016 - £4,853,881) were purchased from Gregal Sociedad Co-operativa during the year.

Commission of £319,870 (2016 - £323,091) was received from Gregal Sociedad Co-operativa during the year.

A balance of £98,483 (2016 - £59,489) was owing to Gregal Sociedad Co-operativa at the balance sheet date.

12. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2015 and the last financial statements prepared under the previous accounting framework were for the year ended 30 September 2016.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.