

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017
PAGES FOR FILING WITH REGISTRAR



THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

COMPANY INFORMATION

Directors	Mrs C Jagielko A Bulloch A Reynolds H Jagielko
Secretary	H Jagielko
Company number	SC220179
Registered office	1 Anthony Road Largs Ayrshire KA30 8BQ
Auditor	Wylie & Bisset CA 168 Bath Street Glasgow G2 4TP
Business address	Viewfield Park Viewfield Road Coatbridge ML5 5QS
Bankers	Clydesdale Bank 20 Waterloo Street Glasgow G2 6DB
Solicitors	Brodies LLP Monteith House George Square 110 Queen Street Glasgow G1 3BX

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

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THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present their report and financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of the company continued to be the blending and bottling of fruit based products.

Directors

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

Mrs C Jagielko
A Bulloch
A Reynolds
H Jagielko

Auditor

Wylie & Bisset LLP acted as auditors to the company during the year. A resolution to reappoint Wylie & Bisset LLP as auditor to the company will be proposed at the Annual General Meeting.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 the company's auditors are aware of that information.

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

By order of the board



H Jagielko
Secretary
25 April 2018

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion

We have audited the financial statements of The Natural Fruit and Beverage Company Limited (the 'company') for the year ended 31 July 2017 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Cash Flows 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 31 July 2017, and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED (CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

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 Directors' Report.

We have nothing to report in respect of the following matters where 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' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

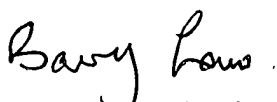
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

Auditor's responsibilities for the audit of the financial statements

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

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.

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.



Mr Barry Law CA (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset CA

25 April 2018

Chartered Accountants
Statutory Auditor

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2016 £
Turnover		9,955,671	5,108,921
Cost of sales		(6,769,215)	(3,271,210)
Gross profit		<u>3,186,456</u>	<u>1,837,711</u>
Administrative expenses		(3,624,020)	(2,682,217)
Loss before taxation		<u>(437,564)</u>	<u>(844,506)</u>
Tax on loss		-	55,899
Loss for the financial year		<u><u>(437,564)</u></u>	<u><u>(788,607)</u></u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

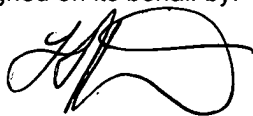
BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4		895,862		1,085,110
Current assets					
Stocks		1,574,072		978,759	
Debtors	5	1,894,025		935,127	
		<u>3,468,097</u>		<u>1,913,886</u>	
Creditors: amounts falling due within one year	6	<u>(2,988,117)</u>		<u>(1,485,590)</u>	
Net current assets			479,980		428,296
Total assets less current liabilities			1,375,842		1,513,406
Creditors: amounts falling due after more than one year	7		(550,000)		(250,000)
Net assets			<u>825,842</u>		<u>1,263,406</u>
Capital and reserves					
Called up share capital	8	100,000		100,000	
Profit and loss reserves		725,842		1,163,406	
Total equity		<u>825,842</u>		<u>1,263,406</u>	

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25 April 2018 and are signed on its behalf by:



H Jagielko
Director

Company Registration No. SC220179

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash absorbed by operations	10	(667,558)		(557,049)	
Income taxes refunded		-		18,721	
Net cash outflow from operating activities		(667,558)		(538,328)	
Investing activities					
Purchase of tangible fixed assets		(51,861)		(31,081)	
Net cash used in investing activities		(51,861)		(31,081)	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		(719,419)		(569,409)	
Cash and cash equivalents at beginning of year		(207,639)		361,770	
Cash and cash equivalents at end of year		(927,058)		(207,639)	
Relating to:					
Bank overdrafts included in creditors payable within one year		(927,058)		(207,639)	

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

The Natural Fruit and Beverage Company Limited is a private company limited by shares incorporated in Scotland. The registered office is 1 Anthony Road, Largs, Ayrshire, KA30 8EQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.3 Tangible fixed assets

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

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

Plant and machinery	10/15 years straight line
Fixtures, fittings & equipment	4 years straight line
Motor vehicles	4 years straight line

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

1.4 Impairment of fixed assets

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

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

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

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

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

1.5 Stocks

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

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

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

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

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

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

Basic financial assets

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

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Taxation

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

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

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

2 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	9,500	8,000
Depreciation of owned tangible fixed assets	241,108	243,821
	<u> </u>	<u> </u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 58 (2016 - 42).

	2017	2016
	Number	Number
Production	55	39
Administration	2	2
Sales	1	1
	<u> </u>	<u> </u>
	58	42
	<u> </u>	<u> </u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

4	Tangible fixed assets	Plant and machinery etc	
		£	
	Cost		
	At 1 August 2016		3,502,827
	Additions		51,861
			<u>3,554,688</u>
	At 31 July 2017		
	Depreciation and impairment		
	At 1 August 2016		2,417,718
	Depreciation charged in the year		241,108
			<u>2,658,826</u>
	At 31 July 2017		
	Carrying amount		
	At 31 July 2017		895,862
			<u>1,085,110</u>
	At 31 July 2016		
			<u>1,085,110</u>
5	Debtors	2017	2016
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,592,575	782,497
	Other debtors	301,450	152,630
		<u>1,894,025</u>	<u>935,127</u>
6	Creditors: amounts falling due within one year	2017	2016
		£	£
	Bank loans and overdrafts	927,058	207,639
	Trade creditors	1,952,520	959,409
	Other creditors	108,539	318,542
		<u>2,988,117</u>	<u>1,485,590</u>

The assets or undertaking of The Natural Fruit and Beverage Company Limited are secured by a floating charge in favour of the bank. The company has outstanding bank overdrafts of £927,058 as at 31 July 2017 (2016 - £207,639).

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Amounts due to group undertaking	550,000	250,000
	<u>550,000</u>	<u>250,000</u>

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>

THE NATURAL FRUIT AND BEVERAGE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

9 Related party transactions

The following transactions took place during the period between the company and GCBW Catrine Limited (formerly Glen Catrine Bonded Warehouse Limited) with which the company is related by reason of directors and operational interests in common:-

Purchase of goods £nil (2016: £nil) : balances due to GCBW Catrine Limited (formerly Glen Catrine Bonded Warehouse Limited) are £nil (2016: £240,434) included within other creditors.

Sale of goods £nil (2016: £nil) : balance due £94,033 (2016: £94,033) from GCBW Catrine Limited (formerly Glen Catrine Bonded Warehouse Limited) included within other debtors. The amount due from GCBW Catrine Limited relates to costs incurred by Natural Fruit and Beverage Company Limited on behalf of GCBW Catrine Limited.

Costs met on behalf of Natural Fruit and Beverage Company Limited by GCBW Catrine Limited in the year under review amounted to £1,944,828 (2016: £1,280,875). During the year Natural Fruit and Beverage Company Limited transferred funds of £1,197,386 (2016: £856,892) to GCBW Catrine Limited.

The following transactions took place during the period between the company and ABA Estates Limited with which the company is related by reason of directors and operational interests in common:-

Transactions relating to rental income totalling £96,142 (2016: £92,388) : balance due £198,488 (2016: £83,117) included within debtors.

10 Cash generated from operations

	2017 £	2016 £
Loss for the year after tax	(437,564)	(788,607)
Adjustments for:		
Taxation charged/(credited)	-	(55,899)
Depreciation and impairment of tangible fixed assets	241,108	243,821
Movements in working capital:		
(Increase) in stocks	(595,313)	(158,553)
(Increase) in debtors	(958,898)	(34,651)
Increase in creditors	1,083,109	236,840
Cash absorbed by operations	<u>(667,558)</u>	<u>(557,049)</u>