

Company Registration No. 02466472 (England and Wales)

Volmary Limited

**Annual report and financial statements
for the year ended 31 December 2016**



Volmary Limited

Company information

Directors	Wayne Eady Christopher Finlay Frank Hudepohl James Banton
Company number	02466472
Registered office	Station Road Wisbech St Mary Wisbech Cambridgeshire PE13 4RY
Independent auditors	Saffery Champness LLP Suite C, Unex House Bourges Boulevard Peterborough Cambridgeshire PE1 1NG
Bankers	Santander UK plc 1-4 Long Causeway Peterborough Cambridgeshire PE1 1YD

Volmary Limited

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Volmary Limited

Strategic report

For the year ended 31 December 2016

The directors present the strategic report for the year ended 31 December 2016.

Review of the business

The market for garden plants remains challenging, however we have increased sales in core business areas at the expense of some larger revenue accounts, where the growers remain very cautious following difficult years of high wastage costs.

Following the acquisition of the Company by Volmary GmbH in 2015 management have been working to incorporate systems and build the platform to capitalise on the strategic benefits of the acquisition. As sales grow in 2017 and beyond, and alongside the identified synergies, improved profitability is anticipated as the two businesses become more integrated. This structural and strategic move provides further opportunities for us to capitalise on the extensive offering of our parent company.

The company is continuing with significant capital investment projects which allow for additional growth and provide acceptable paybacks in production, distribution and ITC functions.

The directors remain very confident for the future and are optimistic in the short term.

The accounts report the financial year ended 31 December 2016. The table below shows results for the year and the comparable results to 31 December 2015.

	ended 31 December 2016	ended 31 December 2015
Turnover	5,970,048	6,296,581
Gross profit	1,052,421	1,256,903
EBITDA	157,782	392,617

The key business risks and uncertainties associated with the group relate to the weather over the key spring sales season between February and May. Long periods of poor weather can significantly impact the total sales activity for the season. In order to help mitigate the impact the management team review production on a weekly basis and adjust production to match changes in future order book while allowing for controlled level of speculative sales. During 2016 management reduced further its reliance on speculative sales and the associated risks of waste. The biggest risk occurs at the end of the season when there is less opportunity to adjust production if demand is suddenly depressed due to adverse market conditions.

Volmary Limited

Strategic report (continued)

For the year ended 31 December 2016

The Company's operations expose it to degrees of financial risk that include credit risk, liquidity risk, exchange rate and interest rate risk.

Credit risk

The company mainly trades with long standing customers. The nature of these relationships assists management in controlling its credit risk in addition to the normal credit management process. In order to minimise risk the Company insures its debtors.

Liquidity risk

The director's control and monitor the company's cash flow on a weekly basis.

Exchange rate risk

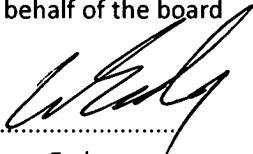
The company buys a significant proportion of its key inputs in Euros. To help mitigate the risk management monitor exchange rates and undertake forward purchases as appropriate. In addition an increasing proportion of the company's sales are transacted in Euros which allow an element of self-hedging.

Interest rate risk

The company is exposed to interest rate fluctuations as the rate payable on its facilities are linked to the bank base rate. The directors carefully monitor cashflow to ensure that liabilities can be met as they fall due.

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board



Wayne Eady

Director

9 June 2017

Volmary Limited

Directors' report

For the year ended 31 December 2016

The directors present their report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of the production and distribution of young plants.

Directors

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

Wayne Eady
Christopher Finlay
Frank Hudepohl
James Banton

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditors

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Volmary Limited

Directors' report (continued)

For the year ended 31 December 2016

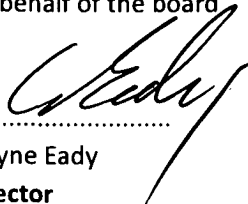
Statement of disclosure to auditors

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

Going concern

The company meets its day-to-day working capital requirements through a £1.5m working capital facility. The current facility is due for renewal in December 2017 and is renewed on an annual basis. The company has considered its cashflow needs and expects the facility to be adequate to meet its requirements for the next 12 months. In addition to the working capital facility the company also has access to additional working capital funds from its parent company in order to allow it to meet its future growth plans. The company's forecasts and projections, taking into account future changes in trading performance, show the company should be able to operate within the levels of its current facilities. The directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus they continue to adopt the going concern basis of accounting when preparing the accounts.

On behalf of the board



Wayne Eady

Director

9 June 2017

Volmary Limited

Independent auditors' report To the members of Volmary Limited

We have audited the financial statements of Volmary Limited for the year ended 31 December 2016 set out on pages 7 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Volmary Limited

Independent auditors' report (continued)
To the members of Volmary Limited

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 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.



Alistair Hunt (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

16 June 2017

Chartered Accountants
Statutory Auditors

Suite C, Unex House
Bourges Boulevard
Peterborough
Cambridgeshire
PE1 1NG

Volmary Limited

Statement of total comprehensive income
For the year ended 31 December 2016

	Notes	2016 £	Restated 2015 £
Turnover	3	5,970,048	6,296,581
Cost of sales		(4,917,627)	(5,039,678)
Gross profit		1,052,421	1,256,903
Distribution costs		(330,768)	(338,651)
Administrative expenses		(1,147,639)	(1,059,475)
Other operating income		179,219	154,407
Earnings before interest, tax, depreciation and amortisation	157,782	392,617	
Depreciation, amortisation, impairment and loss on disposal of fixed assets	(404,549)	(379,433)	
Operating (loss)/profit	4	(246,767)	13,184
Interest receivable and similar income	8	2,406	8
Interest payable and similar expenses	9	(119,491)	(157,806)
Other gains and losses	10	1,885,688	-
Profit/(loss) before taxation		1,521,836	(144,614)
Taxation	11	(72,747)	200,000
Profit for the financial year		1,449,089	55,386
Total comprehensive income for the year		1,449,089	55,386

The income statement has been prepared on the basis that all operations are continuing operations.

Volmary Limited

**Statement of financial position
As at 31 December 2016**

	Notes	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	12		2,222		2,240
Tangible assets	13		3,856,871		3,935,054
			<u>3,859,093</u>		<u>3,937,294</u>
Current assets					
Stocks	15	1,314,508		1,039,953	
Debtors	16	909,552		927,962	
Cash at bank and in hand		276,124		436,372	
		<u>2,500,184</u>		<u>2,404,287</u>	
Creditors: amounts falling due within one year	17	<u>(1,786,527)</u>		<u>(3,314,654)</u>	
Net current assets/(liabilities)			<u>713,657</u>		<u>(910,367)</u>
Total assets less current liabilities			<u>4,572,750</u>		<u>3,026,927</u>
Creditors: amounts falling due after more than one year	18		<u>(3,062,966)</u>		<u>(2,966,232)</u>
Net assets			<u><u>1,509,784</u></u>		<u><u>60,695</u></u>
Capital and reserves					
Called up share capital	24		100,000		100,000
Share premium account			55,137		55,137
Other reserves			565,130		565,130
Profit and loss reserves			789,517		(659,572)
Total equity			<u><u>1,509,784</u></u>		<u><u>60,695</u></u>

The financial statements were approved by the board of directors and authorised for issue on 9 June 2017 and are signed on its behalf by:


Wayne Eady
Director

Company Registration No. 02466472

Volmary Limited

**Statement of changes in equity
For the year ended 31 December 2016**

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 January 2015	100,000	55,137	565,130	(714,958)	5,309
Year ended 31 December 2015:					
Profit and total comprehensive income for the year	-	-	-	55,386	55,386
Balance at 31 December 2015	100,000	55,137	565,130	(659,572)	60,695
Year ended 31 December 2016:					
Profit and total comprehensive income for the year	-	-	-	1,449,089	1,449,089
Balance at 31 December 2016	100,000	55,137	565,130	789,517	1,509,784

Other reserves

**Reserves provided for by the Articles of
Association**

Balance at 31 December 2016 & 31 December 2015

565,130

Volmary Limited

Statement of cash flows

For the year ended 31 December 2016

	Notes	£	2016 £	£	2015 £
Cash flows from operating activities					
Cash generated from operations	29		351,191		35,172
Interest paid			(119,491)		(157,806)
			<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities			231,700		(122,634)
Investing activities					
Purchase of intangible assets		(220)		(2,240)	
Purchase of tangible fixed assets		(314,216)		(45,263)	
Proceeds on disposal of tangible fixed assets		6,545		38	
Interest received		2,406		8	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(305,485)		(47,457)
Financing activities					
Repayment of borrowings		(8,000)		-	
Proceeds of new bank loans		400,000		2,100,000	
Repayment of bank loans		(166,667)		(1,848,000)	
Payment of finance leases obligations		(136,509)		(131,610)	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			88,824		120,390
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			15,039		(49,701)
Cash and cash equivalents at beginning of year			40,837		90,538
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			55,876		40,837
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			276,124		436,372
Bank overdrafts included in creditors payable within one year			(220,248)		(395,535)
			<u> </u>		<u> </u>

Volmary Limited

Notes to the financial statements For the year ended 31 December 2016

1 Accounting policies

Company information

Volmary Limited is a private company limited by shares incorporated in England and Wales. The registered office is Station Road, Wisbech St Mary, Wisbech, Cambridgeshire, PE13 4RY.

1.1 Accounting convention

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

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

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have provided additional information regarding their going concern assessment in the directors' report.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised once the risks and rewards of stocks have been passed onto the customer.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Trademarks	33% on cost
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1.5 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.

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

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

Freehold land & buildings	2.5% - 5% on cost
Assets under course of construction	Not depreciated
Plant and machinery	10% - 33% on cost
Green- houses	5% - 10% on cost
Motor vehicles	16.7% - 20% on cost

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

1.6 Impairment of fixed assets

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

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

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

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

1.7 Stocks

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

1 Accounting policies (continued)

1.8 Cash and cash equivalents

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

1.9 Financial assets

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 statement of financial position 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.

Other financial assets

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

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

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

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

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

1 Accounting policies (continued)

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.

1.10 Financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derecognition of financial liabilities

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

1.11 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.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

1 Accounting policies (continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

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

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

1 Accounting policies (continued)

1.16 Government grants

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

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

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation

The company accounts for depreciation in accordance with FRS 102. The depreciation expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made on the estimated useful life of the assets which are regularly reviewed to reflect the changing environment.

Stock

The company accounts for stocks in accordance with FRS 102. Judgements are made on the overheads attributed to the cost of production. Management believe that amounts apportioned are fair and reflective of the cost to produce finished produce. These judgements are reviewed regularly to reflect the changing environment.

The company also includes a provision for stock wastage. Management review the level and condition of stocks against the amount and timing of expected future sales to calculate an expected level of lost stock through wastage, which is provided for in the financial statements.

Bad debts

The company accounts for bad debts in accordance with FRS 102. Judgements are made on which balances within trade debtors require to be provided for. Management believe that provisions made are fair and reflective of their expectation of recoverability. These judgements are reviewed regularly to reflect the changing environment.

Deferred tax asset

The company has recognised a deferred tax asset in respect of unutilised losses carried forward for offset against future trading profits. Judgements are made on the expected future profits of the company and therefore the recoverability of this asset.

Volmary Limited**Notes to the financial statements (continued)
For the year ended 31 December 2016****3 Turnover and other revenue**

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

	2016	2015
	£	£
Turnover		
Sales of goods	5,970,048	6,296,581
	<u>5,970,048</u>	<u>6,296,581</u>
Other significant revenue		
Interest income	2,406	8
Grants received	15,000	7,500
	<u>17,406</u>	<u>7,508</u>

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	5,708,951	6,194,460
Europe	261,097	102,121
	<u>5,970,048</u>	<u>6,296,581</u>

4 Operating (loss)/profit

	2016	2015
	£	£
Operating (loss)/profit for the year/period is stated after charging/ (crediting):		
Exchange (gains)	19,855	(137,793)
Government grants released	(15,000)	(7,500)
Fees payable to the company's auditors for the audit of the company's financial statements	11,000	12,800
Depreciation of owned tangible fixed assets	341,642	341,836
Depreciation of tangible fixed assets held under finance leases	60,499	37,597
Profit on disposal of tangible fixed assets	(987)	(46,323)
Amortisation of intangible assets	2,408	-
Cost of stocks recognised as an expense	2,693,680	2,894,238
Impairment of stocks recognised or reversed	70,660	(86,225)
Impairment of trade debtors recognised or reversed	8,375	(1,693)
	<u>2,830,427</u>	<u>2,800,133</u>

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

5 Auditors' remuneration

	2016	2015
	£	£
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the financial statements of the company	11,000	12,800
	<u>11,000</u>	<u>12,800</u>

6 Employees

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

	2016	2015
	Number	Number
Production and distribution	83	83
Sales	9	14
Administration	6	6
	<u>98</u>	<u>103</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	1,870,982	1,728,190
Social security costs	145,964	132,363
Pension costs	89,326	15,982
	<u>2,106,272</u>	<u>1,876,535</u>

7 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	139,030	-
Company pension contributions to defined contribution schemes	75,053	-
	<u>214,083</u>	<u>-</u>

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

7 Directors' remuneration (continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 0).

8 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Other interest income	2,406	8
	<u>2,406</u>	<u>8</u>

9 Interest payable and similar expenses

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	78,956	120,442
Interest on finance leases and hire purchase contracts	15,120	14,260
Other interest on financial liabilities	25,390	22,970
	<u>119,466</u>	<u>157,672</u>
Other finance costs:		
Other interest	25	134
	<u>119,491</u>	<u>157,806</u>

10 Other gains and losses

	2016	2015
	£	£
Amounts written back to financial liabilities	1,885,688	-
	<u>1,885,688</u>	<u>-</u>

On 25 April 2016 the company was released from the loan balance owed to Delamore Holdings Limited.

Volmary Limited**Notes to the financial statements (continued)
For the year ended 31 December 2016****11 Taxation**

	2016	2015
	£	£
Current tax		
Adjustments in respect of prior periods	(87,753)	-
Deferred tax		
Origination and reversal of timing differences	160,500	(200,000)
Total tax charge/(credit)	72,747	(200,000)

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

	2016	2015
	£	£
Profit/(loss) before taxation	1,521,836	(144,614)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	304,367	(28,923)
Tax effect of expenses that are not deductible in determining taxable profit	1,226	1,443
Tax effect of income not taxable in determining taxable profit	(377,138)	-
Gains not taxable	-	(9,265)
Tax effect of utilisation of tax losses not previously recognised	-	(31,401)
Unutilised tax losses carried forward	43,474	-
Change in unrecognised deferred tax assets	160,500	(200,000)
Effect of change in corporation tax rate	22,691	-
Depreciation on assets not qualifying for tax allowances	5,265	4,524
Research and development tax credit	(87,753)	-
Depreciation in excess of capital allowances	-	63,854
Other tax adjustments	115	(232)
Taxation for the year	72,747	(200,000)

Volmary Limited

**Notes to the financial statements (continued)
For the year ended 31 December 2016**

12 Intangible fixed assets

	Trademarks
	£
Cost	
At 1 January 2016	2,240
Additions - separately acquired	220
Transfers	2,170
	<hr/>
At 31 December 2016	4,630
	<hr/>
Amortisation and impairment	
At 1 January 2016	-
Amortisation charged for the year	2,408
	<hr/>
At 31 December 2016	2,408
	<hr/>
Carrying amount	
At 31 December 2016	2,222
	<hr/> <hr/>
At 31 December 2015	2,240
	<hr/> <hr/>

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

13 Tangible fixed assets

	Freehold land & buildings	Assets under course of construction	Plant and machinery	Green- houses	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2016	658,719	-	2,321,386	4,246,229	233,525	7,459,859
Additions	3,062	6,837	228,415	83,481	7,721	329,516
Disposals	-	-	(64,742)	-	(55,306)	(120,048)
Transfers	415,847	-	966,032	(1,381,879)	-	-
At 31 December 2016	<u>1,077,628</u>	<u>6,837</u>	<u>3,451,091</u>	<u>2,947,831</u>	<u>185,940</u>	<u>7,669,327</u>
Depreciation and impairment						
At 1 January 2016	135,047	-	1,072,511	2,115,412	201,835	3,524,805
Depreciation charged in the year	44,002	-	206,779	143,594	7,766	402,141
Eliminated in respect of disposals	-	-	(65,154)	-	(49,336)	(114,490)
Transfers	115,751	-	720,501	(836,252)	-	-
At 31 December 2016	<u>294,800</u>	<u>-</u>	<u>1,934,637</u>	<u>1,422,754</u>	<u>160,265</u>	<u>3,812,456</u>
Carrying amount						
At 31 December 2016	<u>782,828</u>	<u>6,837</u>	<u>1,516,454</u>	<u>1,525,077</u>	<u>25,675</u>	<u>3,856,871</u>
At 31 December 2015	<u>523,672</u>	<u>-</u>	<u>1,248,875</u>	<u>2,130,817</u>	<u>31,690</u>	<u>3,935,054</u>

The carrying value of land and buildings comprises:

	2016 £	2015 £
Freehold	<u>200,823</u>	<u>200,823</u>

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

13 Tangible fixed assets (continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016	2015
	£	£
Plant and machinery	441,880	477,558
Motor vehicles	13,878	25,740
	<u>455,758</u>	<u>503,298</u>
Depreciation charge for the year in respect of leased assets	<u>60,499</u>	<u>37,597</u>

14 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>672,639</u>	<u>605,987</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>4,690,052</u>	<u>6,125,342</u>

15 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	<u>1,314,508</u>	<u>1,039,953</u>

The company has adjusted the method used to absorb overhead costs into the stock valuation. This has resulted in the year end stock valuation being approximately £122,000 higher than it would have been under the previous method.

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

16 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	521,938	574,642
Corporation tax recoverable	87,753	-
Other debtors	201,616	75,074
Prepayments and accrued income	58,745	78,246
	<u>870,052</u>	<u>727,962</u>
Deferred tax asset (note 21)	4,275	54,013
	<u>874,327</u>	<u>781,975</u>
	2016	2015
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 21)	35,225	145,987
	<u>35,225</u>	<u>145,987</u>
Total debtors	<u>909,552</u>	<u>927,962</u>

Trade debtors disclosed above are measured at amortised cost.

17 Creditors: amounts falling due within one year

		2016	2015
	Notes	£	£
Bank loans and overdrafts	19	386,915	562,202
Obligations under finance leases	20	109,500	131,610
Other borrowings	19	15,000	8,000
Trade creditors		988,724	559,748
Amounts due to group undertakings		-	1,912,772
Other taxation and social security		31,941	13,044
Government grants	22	15,000	7,500
Accruals and deferred income		239,447	119,778
		<u>1,786,527</u>	<u>3,314,654</u>

Volmary Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

18 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	19	2,166,666	1,933,333
Obligations under finance leases	20	6,800	105,899
Other borrowings	19	777,000	792,000
Government grants	22	112,500	135,000
		<u>3,062,966</u>	<u>2,966,232</u>

19 Loans and overdrafts

	2016 £	2015 £
Bank loans	2,333,333	2,100,000
Bank overdrafts	220,248	395,535
Other loans	792,000	800,000
	<u>3,345,581</u>	<u>3,295,535</u>
Payable within one year	401,915	570,202
Payable after one year	<u>2,943,666</u>	<u>2,725,333</u>

A guarantee has been provided to the company's bankers in respect of the total bank facilities available to the company and its parent company, Delamore Holdings Limited. Security has been provided in respect of this guarantee by way of fixed and floating charges over the assets of the company and its parent company, Delamore Holdings Limited. First legal charge is held over certain freehold property.

The bank loan is repayable over 6 years in instalments of £41,667 per quarter from March 2016. The interest rate in respect of this loan facility is held at 1.75% above LIBOR.

Included in other loans is a loan of £750,000 from the company's ultimate parent company which carries an interest rate of 3% over EURIBOR. The loan is repayable in instalments of £20k per quarter from 31 March 2018 with the balance due on 31 December 2022. The lender has a debenture over the company's assets ranking after the first legal charge held by the company's bankers.

Other loans also includes include an LEP loan for £42,000. The LEP loan carries interest at fixed rate of 1.46% per annum and is repayable in instalments of £15K in March 2017 and £27K in March 2018. Interest is repayable with the capital elements. Interest accrues from 1 January 2014.

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

20 Finance lease obligations

	2016	2015
	£	£
Future minimum lease payments due under finance leases:		
Within one year	109,500	131,610
In two to five years	6,800	105,899
	<u>116,300</u>	<u>237,509</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 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21 Deferred taxation

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

	Assets	Assets
	2016	2015
	£	£
Balances:		
Tax losses	39,500	200,000
	<u>39,500</u>	<u>200,000</u>
Movements in the year:		2016
		£
Liability/(Asset) at 1 January 2016		(200,000)
Charge to profit or loss		160,500
		<u>(39,500)</u>
Liability/(Asset) at 31 December 2016		<u>(39,500)</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

Deferred tax is not recognised in respect of tax losses of £1,280,244 as there is not sufficient certainty that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

22 Government grants

Deferred income is included in the financial statements as follows:

	2016	2015
	£	£
Current liabilities	15,000	7,500
Non-current liabilities	112,500	135,000
	<u>127,500</u>	<u>142,500</u>
	<u><u>127,500</u></u>	<u><u>142,500</u></u>

The deferred income shown in the balance sheet relates to a government grant received which is being released to the income statement over a period of 10 years.

The grant was received to help fund the construction of the Fenland School of Horticulture which is based at Volmary Ltd's Station Road site and is operated by the company for training horticultural staff and local school children.

23 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	89,326	15,982
	<u>89,326</u>	<u>15,982</u>
	<u><u>89,326</u></u>	<u><u>15,982</u></u>

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

24 Share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
90,000 Ordinary 'A' shares of 50p each	45,000	45,000
110,000 Ordinary shares of 50p each	55,000	55,000
	<u>100,000</u>	<u>100,000</u>
	<u><u>100,000</u></u>	<u><u>100,000</u></u>

The rights attaching to the respective classes of shares can be found in the company's articles of association. All share capital is owned by Volmary GmbH at the balance sheet date, therefore the respective rights of the shares do not affect where income or capital is distributed.

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

25 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	26,505	20,700
Between two and five years	22,495	26,513
	<u>49,000</u>	<u>47,213</u>

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016	2015
	£	£
Acquisition of tangible fixed assets	166,213	-
	<u>166,213</u>	<u>-</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is as follows.

	2016	2015
	£	£
Aggregate compensation	266,415	55,541
	<u>266,415</u>	<u>55,541</u>

Transactions with related parties

	Purchase of goods	
	2016	2015
	£	£
Entities under common control	404,518	-
	<u>404,518</u>	<u>-</u>

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

27 Related party transactions (continued)

	Release of loan liability	
	2016	2015
	£	£
Entities with control, joint control or significant influence over the company	1,885,688	-

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2016	2015
	£	£
Entities with control, joint control or significant influence over the company	1,220,720	810,360
Entities under common control	23,997	-

Included in the above, the company has a £750,000 loan from Volmary GmbH which is secured by a fixed charge on the land and buildings which is fully subordinated to the bank.

28 Controlling party

The ultimate parent company is Volmary GmbH, a company registered in Germany. The results and financial position of Volmary Limited are consolidated into the group accounts of Volmary GmbH, copies of which can be obtained from the registered office at Kaldenhofer Weg 70, Postfach 2721, 48155 Munster, Germany.

The ultimate controlling party is Hubertus Volmary.

Volmary Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

29 Cash generated from operations

	2016	2015
	£	£
Profit for the year after tax	1,449,089	55,386
Adjustments for:		
Taxation charged/(credited)	72,747	(200,000)
Finance costs	119,491	157,806
Investment income	(2,406)	(8)
Gain on disposal of tangible fixed assets	(987)	(46,323)
Amortisation and impairment of intangible assets	2,408	-
Depreciation and impairment of tangible fixed assets	402,141	379,433
Other gains	(1,885,688)	-
Movements in working capital:		
Increase in stocks	(274,555)	(42,165)
Increase in debtors	(54,337)	(66,873)
Increase/(decrease) in creditors	538,288	(194,584)
Decrease in deferred income	(15,000)	(7,500)
Cash generated from operations	<u>351,191</u>	<u>35,172</u>