

Frutas Alhambra Limited

Annual report and financial statements

for the period ended 30 December 2007

Registered number 2986026

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Frutas Alhambra Limited

Annual report and financial statements for the period ended 30 December 2007

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Frutas Alhambra Limited

Directors and advisors

Directors

S K Mehta
J A P Isaacson

Company secretary

P K Mehta

Registered office

241 Wellington Road
Perry Barr
Birmingham
B20 2QQ

Independent auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

National Westminster Bank
519 Foleshill Road
Coventry
CV3 5ZZ

Frutas Alhambra Limited

Directors' report for the period ended 30 December 2007

The directors have pleasure in presenting their report and the audited financial statements of the company for the period ended 30 December 2007

Principal activity and review of the business

The principal activity of the company during the period was that of importers and wholesalers of fresh fruit and vegetables

The results for the company show a pre-tax profit of £32,558 (2006 £146,538) for the period. The directors consider the state of the company's affairs to be satisfactory.

The external commercial environment is expected to remain competitive in 2008, although we remain confident that we will maintain our current level of performance in the future.

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to fluctuations in market price, product availability and employee retention.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

The company's operations expose it to a variety of financial risks including the effect of credit risk and liquidity risk. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company is financed by cash from its own operations.

Results and dividends

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended payment of a dividend (2006 £nil).

Directors

The directors who served the company during the period and subsequent to year end were as follows:

- S K Mehta
- J A P Isaacson

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

Frutas Alhambra Limited

Directors' report for the period ended 30 December 2007 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements (continued)

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditors

In the case of each of the persons who are directors at the time when this report is approved, the following applies

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting

By order of the Board


P K Mehta
Company secretary
28 October 2008

Independent auditors' report to the members of Frutas Alhambra Limited

We have audited the financial statements of Frutas Alhambra Limited for the period ended 30 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report and Directors and Advisors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

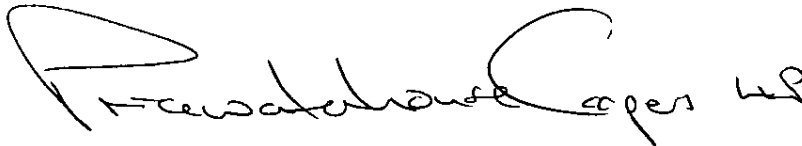
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Frutas Alhambra Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 December 2007, and of its profit and cash flows for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

A large, stylized handwritten signature in black ink, which appears to read 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

29 October 2008

Frutas Alhambra Limited

Profit and loss account for the period ended 30 December 2007

		2007	2006
	Notes	£	£
Turnover	2	7,025,076	7,360,662
Cost of sales		(6,707,907)	(6,839,417)
Gross profit		317,169	521,245
Administrative expenses		(370,827)	(379,287)
Operating (loss)/profit	3	(53,658)	141,958
Interest receivable and similar income	5	86,241	4,692
Interest payable and similar charges	6	(25)	(112)
Profit on ordinary activities before taxation		32,558	146,538
Tax credit/(charge) on profit on ordinary activities	7	19,041	(88,020)
Profit for the financial period	15	51,599	58,518

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above. Therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost equivalents.

Frutas Alhambra Limited

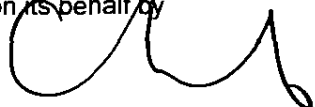
Balance sheet as at 30 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	8	6,986	9,243
Investments	9	2,463	2,463
		9,449	11,706
Current assets			
Debtors	10	2,322,821	3,020,291
Cash at bank and in hand		1,599,857	1,857,090
		3,922,678	4,877,381
Creditors: amounts falling due within one year	11	(1,572,161)	(2,580,720)
Net current assets		2,350,517	2,296,661
Total assets less current liabilities		2,359,966	2,308,367
Net assets		2,359,966	2,308,367

Capital and reserves

Called up share capital	14	35,000	35,000
Profit and loss account	15	2,324,966	2,273,367
Total shareholders' funds	16	2,359,966	2,308,367

The financial statements on pages 6 to 16 were approved by the board of directors and were signed on its behalf by



S K Mehta
Director
28 October 2008

Frutas Alhambra Limited

Cash flow statement for the period ended 30 December 2007

	Note	2007 £	2006 £
Net cash (outflow) / inflow from operating activities	17	(249,114)	1,745,533
Returns on investment and servicing of finance			
Interest paid		(25)	(112)
Interest received		86,241	4,692
Net cash inflow from returns on investment and servicing of finance		86,216	4,580
Taxation paid		(9,660)	(22,500)
Capital expenditure		-	-
Net cash outflow from capital expenditure		-	-
(Decrease)/increase in cash	18, 19	(257,233)	1,727,613

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom, which have been consistently applied

Accounting period

The company makes up accounts to the nearest Saturday to 31 December. Accordingly, these financial statements are prepared for the period from 1 January 2007 to 30 December 2007 (2006: 1 January 2006 to 31 December 2006)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax, trade discounts and rebates

Consolidation

The financial statements contain information about Frutas Alhambra Limited as an individual company and do not contain consolidated information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a medium sized group.

Investments

Investments are included at cost less provisions for any impairment

Fixed assets

Fixed assets are stated at cost less accumulated depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset using methods and annual rates as follows:

Fixtures & fittings	-	20% reducing balance
Motor vehicles	-	25% reducing balance

Deferred taxation

Provision for deferred taxation is made in respect of all timing differences arising from the different treatment of items for accounts and taxation purposes, except in relation to gains covered by rollover relief. Deferred taxation provisions are not discounted. Deferred taxation assets are recognised when they are more likely than not to be recovered based on current and past trading levels and profitability.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at operating profit.

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

2 Turnover

The turnover and operating (loss) / profit are attributable to the one principal activity of the company

A geographical analysis of turnover by destination is given below

	2007	2006
	£	£
United Kingdom	6,057,145	6,687,613
Rest of Europe	967,931	673,049
	7,025,076	7,360,662

3 Operating (loss) / profit

Operating (loss) / profit is stated after charging

	2007	2006
	£	£
Depreciation of owned fixed assets	2,257	2,990
Auditors' remuneration – as auditors	8,000	7,750

4 Particulars of employees

The company only has one employee other than the directors. This employee undertakes an administration role. Employee costs during the period were £37,052 (2006 £39,055) including social security costs of £3,705 (2006 £3,904). Directors' emoluments were £nil (2006 £36,635).

5 Interest receivable and similar income

	2007	2006
	£	£
Interest receivable	86,241	4,692

6 Interest payable and similar charges

	2007	2006
	£	£
Interest payable on bank borrowings	25	112

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

7 Tax (credit) / charge on profit on ordinary activities

(a) Analysis of (credit) / charge in the period

	2007	2006
	£	£
Current tax		
UK corporation tax based on the results for the period at 30% (2006 30%)	(3,471)	71,455
Adjustments in respect of previous periods	(8,711)	27,790
Total current tax (note 7 (b))	(12,182)	99,245
Deferred tax		
Origination and reversal of timing differences	(7,765)	(11,225)
Changes in tax rates or laws	906	-
Total deferred tax (note 12)	(6,859)	(11,225)
Tax (credit) / charge on profit on ordinary activities	(19,041)	88,020

(b) Factors affecting the current tax (credit) / charge

The tax assessed on the profit on ordinary activities for the period is lower (2006 higher) than the standard rate of corporation tax in the UK of 30% (2006 30%) as follows

	2007	2006
	£	£
Profit on ordinary activities before taxation	32,558	146,538
Profit on ordinary activities at 30% (2006 30%)	9,767	43,961
Depreciation for period in excess of capital allowances	119	153
Other timing differences	(13,357)	11,072
Expenditure not deductible for tax purposes	-	16,269
Adjustments in respect of previous periods	(8,711)	27,790
Total current tax (credit) / charge (note 7 (a))	(12,182)	99,245

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

7 Taxation (credit) / charge on profit on ordinary activities (continued)

Due to the Finance Act 2007, the standard rate of taxation reduced from 30% to 28% with effect from April 2008. This has had the impact of reducing the deferred tax charge for the period as noted in (a) above. For the financial period to 3 January 2009, the effective tax rate will be 28.5%.

8 Tangible fixed assets

	Fixtures & fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2007	3,736	15,119	18,855
At 30 December 2007	3,736	15,119	18,855
Depreciation			
At 1 January 2007	2,643	6,969	9,612
Charge for the period	219	2,038	2,257
At 30 December 2007	2,862	9,007	11,869
Net book value			
At 30 December 2007	874	6,112	6,986
At 31 December 2006	1,093	8,150	9,243

9 Investments

	£
Cost	
At 1 January 2007 and 30 December 2007	2,463
Net book value	
At 1 January 2007 and 30 December 2007	2,463

The company holds 99% of the ordinary share capital of Frutas Alhambra SL, a company incorporated in Spain.

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

10 Debtors

	2007	2006
	£	£
Trade debtors	529,592	404,759
Amounts due from group undertakings	988,636	2,060,920
Amounts due from related parties	769,218	518,466
VAT recoverable	7,800	9,676
Other debtors	7,132	12,886
Deferred tax asset (note 12)	20,443	13,584
	2,322,821	3,020,291

11 Creditors: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	945,387	927,291
Amounts due to group undertakings	394,239	1,286,222
Amounts due to related parties	179,441	268,677
Corporation tax payable	37,956	59,798
Accruals and deferred income	15,138	38,732
	1,572,161	2,580,720

Amounts due to group undertakings and related parties are not interest bearing, unsecured and repayable on demand

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

12 Deferred taxation

The movement in the deferred taxation asset during the period was

	2007	2006
	£	£
Balance bought forward	13,584	2,359
Profit and loss account movement arising during the period	6,859	11,225
Balance carried forward	20,443	13,584
The balance of the deferred taxation asset consists of the tax effect of timing differences in respect of		
	2007	2006
	£	£
(Excess) / shortfall of taxation allowances over depreciation on fixed assets	(395)	153
Other timing differences	20,838	13,431
	20,443	13,584

13 Related party transactions

The company entered into transactions with the following related parties during the period Minor Weir and Willis Limited, Oxford Fruit Company Limited, Fruit and Vegetable Traders Limited, Quality Produce International BV, Mwwfresh Limited and with group undertaking Frutas Alhambra SL

An analysis of all the transactions is shown below

	2007		2006	
	Sales to:	Purchases from:	Sales to	Purchases from
	£	£	£	£
Fruit and Vegetable Traders Limited	2,593,479	-	3,724,727	-
Other related parties	961,274	378,704	589,486	344,061
Group undertaking – Frutas Alhambra SL	198,747	565,666	-	596,204

The amounts due from or due to related parties and group undertakings are disclosed in notes 10 and 11

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

14 Called up share capital

	2007	2006
	£	£
Authorised share capital		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
35,000 ordinary shares of £1 each	35,000	35,000

15 Profit and loss account

	£
At 1 January 2007	2,273,367
Profit for the financial period	51,599
At 30 December 2007	2,324,966

16 Reconciliation of movements in total shareholders' funds

	2007	2006
	£	£
Profit for the financial period	51,599	58,518
Opening total shareholders' funds	2,308,367	2,249,849
Closing total shareholders' funds	2,359,966	2,308,367

Frutas Alhambra Limited

Notes to the financial statements for the period ended 30 December 2007 (continued)

17 Reconciliation of operating (loss) / profit to net cash (outflow) / inflow from operating activities

	2007	2006
	£	£
Operating (loss) / profit	(53,658)	141,958
Depreciation	2,257	2,990
Decrease in debtors	789,004	1,553,367
(Decrease) /increase in creditors	(986,717)	47,218
Net cash (outflow)/inflow from operating activities	(249,114)	1,745,533

18 Reconciliation of net cash flow to movement in net funds

	2007	2006
	£	£
(Decrease)/increase in cash in the period	(257,233)	1,727,613
Net funds at 1 January	1,857,090	129,477
Net funds at 30 / 31 December	1,599,857	1,857,090

19 Analysis of changes in net funds

	At 1 January 2007 £	Cash flows £	At 30 December 2007 £
Cash at bank and in hand	1,857,090	(257,233)	1,599,857
Net funds	1,857,090	(257,233)	1,599,857

20 Ultimate controlling party

The directors regard the Mehta Family Trusts collectively as the ultimate controlling party

21 Post balance sheet events

On 4 April 2008 Fruit and Vegetable Traders Limited acquired 75% (26,250 £1 Ordinary shares) of the company's share capital