

APS PRODUCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

APS PRODUCE LIMITED

COMPANY INFORMATION

Directors	J Harris D Hoult
Company secretary	D Hoult
Registered number	03394705
Registered office	Unit 1 Chichester Food Park Bognor Road Chichester West Sussex PO20 1NW
Independent auditors	MHA Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

Introduction

The directors present the strategic report for the year ended 31 December 2024.

Business review

The results for the period and the financial position at the year-end are shown in the annexed financial statements.

The company's main trade is the production, distribution and selling of tomatoes and other fresh produce. The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, being turnover, gross profit & shareholder funds. The directors also consider that the wellbeing and development of the company's employees, together with the development of mutually beneficial partnerships with customers and suppliers to be key to the success of the business.

In December 2022 P3P Partners LLP, our main energy supplier, who have energy centres on our growing sites and supply heat and Co2 to our greenhouses, acquired the majority of the share capital of the group. Since the acquisition they continue to invest substantial funds into the APS group, in order to support the group's performance turnaround and seasonal cashflow needs. P3P have committed to continue to support the group over the following 12 months and beyond. Since the acquisition, P3P have strengthened the senior management team, through the appointment of key individuals with appropriate industry experience into senior management positions.

In March 2024, P3P provided a further £15m subscription for equity in A Pearson Holdings Limited, substantially improving the overall balance sheet position of A Pearson Holdings Limited and its subsidiaries.

The directors are confident that the measures taken as described above, which secures the group's future for the foreseeable future, together with working closely with our customers, suppliers and key stakeholders to build and grow the business, will ensure that the group will continue to prosper into the future.

The operating performance in 2024 improved from a £6.2m loss in 2023 to a £5.1m profit in 2024.

The results for the year and the financial position at the period end, were considered to be satisfactory by the directors, who anticipate improved profitable trading, as the improvement initiatives to build and grow the business continue to take effect.

The sector that the company operates in continues to be extremely competitive, with margins under continued pressure. Market spending and changing economic patterns, can easily affect the industry, along with dependency on the weather and the general climate. With these risks and uncertainties in mind, the directors are aware that any plans for the future development of the company may be subject to unforeseen events outside of their control.

Principal risks and uncertainties

The Board acknowledges the risks from competitors, the reliance on key suppliers and customers and the funding requirement to maintain its operational efficiency. The Board seeks to minimise these risks wherever possible and they are regularly reviewed through management reporting and planning processes.

At the time of approving the financial statements, the full impact of the UK and global economy is uncertain and the effect, both immediate and long term, that this may have on the company, its customers and suppliers, is unknown.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Key performance indicators

The Directors do not believe there are any further relevant financial and non-financial key performance indicators requiring disclosure, other than those disclosed above.

Development and performance

The Directors expect the general level of activity to remain challenging in 2025, following the impact of the global economic crisis and to recover steadily in the future, in line with the company's plans for growth.

Directors' statement of compliance with duty to promote the success of the company

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This S172 statement explains how the Company Directors perform their duties whilst taking into consideration the following:

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

The board directors of the Company ("the Board") is collectively responsible for managing the affairs of the Company to achieve its long-term prosperity by making important decisions, monitoring the underlying performance of the Company, as well as being a means for establishing ethical standards. Understanding the interests of key stakeholders is an important part of the Company's strategy and helps inform the directors' decision making process throughout the year.

Business Decisions

Board meetings are held as required where the directors will consider the Company's principal activities and make decisions. Meetings are scheduled to provide adequate time for consideration and discussion by the directors of the interests of stakeholders, and for the directors to seek further information from management, as required. As a part of those meetings, the directors receive information in a range of different formats to assist them in discharging their responsibilities under Section 172 when making relevant decisions. This information may include reports and presentations on financial and operational performance, business updates, budget planning and forecasts, HR matters, as well as specific areas of engagement, such as employee opinion surveys. When making decisions, the Board seeks to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, whilst acknowledging that a decision will not necessarily be favourable for all stakeholders, as there may be competing interests between them.

Business Relationships

The Company follows a range of group-wide policies that protect employees and provide a safe working environment, to ensure compliance with all regulatory requirements and adherence to the highest professional and ethical standards in dealing with customers, suppliers and colleagues, as well as ensuring that it continues to be cognisant of its social and environmental responsibilities. In doing so, and by balancing the interests of the Company's stakeholders when making decisions, the Board seeks to maintain a reputation for high standards of business conduct.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Corporate Social Responsibility

This is important to the Company and it undertakes many initiatives in the area. The Board recognises the relevance of leading the company in such a way that it contributes to wider society.

Customers & Partners

The needs and interests of our customers and partners are at the heart of our business and critical to our long-term success. As such, central to all decision-making is understanding how our actions can help them and their businesses thrive. Our key stakeholder priorities are listed below.

- A customer-led proposition
- A focus on treating customers fairly
- Strong personal relationships and specialist expertise
- Consistent and supportive customer service whatever the market conditions
- A responsive service with solutions that are flexible and executed with speed

How and when we engage with our customers and partners is very important to the Company. We ensure that we consistently deliver a high-quality service to our customers and partners through expert teams which are core to our business model. We ensure this is built around the needs of our customers and partners and is aligned to our customer principles by seeking feedback from customers.

Employees

The Board recognises the importance of the contribution made by our employees, who deliver the highest levels of service for our customers and partners. Engagement with employees helps to attract, build and retain a high calibre talent pool and ensure that our employees remain enthusiastic about their work and their organisation. Regularly listening to employees' feedback ensures they feel valued with their views recognised and acted upon. Our key stakeholder priorities are listed below.

- A safe working environment
- A fair, supportive, diverse and inclusive culture where employee feedback is valued
- A commitment to invest in training and development
- Ensuring appropriate rewards for their contributions

Engagement with our colleagues takes place daily through line managers at all levels in the company. Regular employee opinion surveys are undertaken and closely monitored and management frequently hold employment engagement activities to provide updates on business performance and gather real time feedback, which is listened to and acted upon. Training and mentoring programmes are in place where needed to support the development of all employees.

Culture and Values

The Company's culture is characterised by clear responsibility, mutual respect and trust. Lawful conduct and fair competition are integral to its business activities and an important condition for maintaining a reputation for high standards of business conduct securing long term success.

Suppliers

Our business is supported by a large number of suppliers and advisors, enabling us to provide high standards of produce and service to our customers and partners. Engagement with our suppliers enables the business to develop and maintain long-term and sustainable relationships. This engagement also helps enable our suppliers to better understand and align to our key policies and procedures and operate responsibly. Our key stakeholders priorities are listed below.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

- Appropriate and clear payment procedures
- Strong and sustainable relationships with the Company
- Fair and equitable conduct of business

Environment & Community

The Company prides itself in taking the best traditional and modern growing techniques to grow high quality, delicious tomatoes in the most environmentally friendly and sustainable way possible. APS is a genuinely innovative and forward thinking business. Sustainability runs through all aspects of our business, from energy saving, recycling and resource-sharing policies in our offices, employee orientation and social commitment. Listed below are the innovations currently used by the Group to help improve its carbon footprint whilst carrying out its business activities.

Waste Management

The Company has worked with industry experts and specialist universities to develop a unique, innovative anaerobic digestion (AD) plant that converts tomato crop's leaf waste into valuable by-products that are used in its tomato growing operation. These include bio-plastics and leaf fibre cellulose, which is used in the manufacture of packaging film and tunnels to pack our tomatoes for sale. This is an elegant and innovative solution to a waste management problem.

Energy Efficiency

Energy efficiency is central to any successful glasshouse business. On our growing sites we use Combined Heat and Power Plant (CHP) engines. These use natural gas to produce electricity, which is fed into the local electricity grid (powering over 200,000 homes). The waste heat is then used to warm the tomato plants in our glasshouses and the waste carbon dioxide produced is used to help nourish them.

Thermal storage tanks work in tandem with the CHP systems which operate in the day when demand for carbon dioxide is at its highest, electricity is required by the National Grid, and the crop doesn't require heat. When the sun goes down, the hot water stored in our thermal storage tanks is pumped back into the glasshouses, to keep the crop warm without the need to utilise a boiler.

Our glasshouses are fitted with thermal screens which are automatically closed each day, just as the sun is setting. These automatic curtains close above and around the crop, capturing the final solar energy before nightfall. This maintains the required temperature for the tomato plants through the night whilst using less energy.

At our Alderley Edge nursery the surplus heat from cooling the tomatoes is used to warm the irrigation water, saving 40% of electricity usually used to cool the fruit and heat the irrigation water. Additionally, this innovation improves fruit quality and crop production simultaneously.

LED Supplementary Lighting

Light Emitting Diodes use very little electricity, and we only utilise the wavelengths of light that the plants require, ensuring maximum energy efficiency, allowing us to grow all year round with no compromise in flavour.

Irrigation

APS recognises that water is one of our most precious and essential natural resources. Therefore, we ensure our processes make the most of every single drop, most of our tomato crops are grown hydroponically a highly efficient way of growing when considering resource management. Hydroponic crops are grown in substrates and drip fed through a computer controlled irrigation system delivering precisely what the plant requires.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Energy and carbon report

In line with section 20A of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the directors have claimed exemption from disclosing the company's relevant information as it will be contained within the relevant group disclosures, as reported in the group financial statements of the parent company, A Pearson holdings Limited, for the same financial year.

This report was approved by the board and signed on its behalf.

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D Hout
Director

Date: 20 October 2025

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The directors present their report and the financial statements for the year 1 January 2024 to 31 December 2024.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £6,670,291 (2023 - loss £2,496,040).

The directors do not recommend the payment of a dividend (2023 - £Nil).

Directors

The directors who served during the year were:

J Harris
D Hoult

Future developments

The business fosters its relationship with customers by constant communication to ensure sufficient produce is available to satisfy their expected requirements over the short, medium and long-term and that the quality of the produce is to the required standard.

For suppliers the business is again in constant communication with all key suppliers to foster its relationship to ensure they can supply the expected produce on time and to the required quality, in addition supplier payments are made promptly and constant dialogue is maintained to ensure the suppliers have sufficient credit insurance.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Engagement with employees

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Engagement with suppliers, customers and others

The business fosters its relationship with customers by constant communication to ensure sufficient produce is available to satisfy their expected requirements over the short, medium and long-term and that the quality of the produce is to the required standard.

For suppliers the business is again in constant communication with all key suppliers to foster its relationship to ensure they can supply the expected produce on time and to the required quality, in addition supplier payments are made promptly and constant dialogue is maintained to ensure the suppliers have sufficient credit insurance.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Qualifying third party indemnity provisions

Directors' liability and indemnity insurance was in force throughout the year to cover the directors and officers of the company against action brought against them in their personal capacity. Neither the insurance nor the indemnity provide cover where the individual has acted fraudulently or dishonestly.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Post balance sheet events

There have been no significant events affecting the company since the year end.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Auditors

The auditors, MHA, were appointed by the directors in the year. MHA previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA offer themselves for reappointment.

This report was approved by the board and signed on its behalf.

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D Hout
Director

Date: 20 October 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APS PRODUCE LIMITED

Opinion

We have audited the financial statements of APS Produce Limited (the 'company') for the year 1 January 2024 to 31 December 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APS PRODUCE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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 or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APS PRODUCE LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

APS PRODUCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APS PRODUCE LIMITED (CONTINUED)

Atul Kariya FCCA (Senior statutory auditor)

for and on behalf of

MHA

Statutory Auditors

20 October 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Turnover	4	97,585,470	101,187,601
Cost of sales		(85,763,843)	(91,705,284)
Gross profit		11,821,627	9,482,317
Administrative expenses		(16,900,541)	(15,867,697)
Exceptional expenses	11	9,877,432	-
Other operating income	5	268,012	228,493
Operating profit/(loss)	6	5,066,530	(6,156,887)
Interest payable and similar expenses	9	(1,056,521)	(940,097)
Profit/(loss) before tax		4,010,009	(7,096,984)
Tax on profit/(loss)	10	2,660,282	4,600,944
Profit/(loss) for the financial year		6,670,291	(2,496,040)

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023:£NIL).

The notes on pages 16 to 36 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	15,868,782	22,445,347
Investments	14	200,000	200,000
		<u>16,068,782</u>	<u>22,645,347</u>
Current assets			
Stocks	15	7,159,697	5,740,514
Debtors	16	30,937,707	14,676,862
Cash at bank and in hand	17	941,581	826,251
		<u>39,038,985</u>	<u>21,243,627</u>
Creditors: amounts falling due within one year	18	(27,199,335)	(21,043,884)
		<u>11,839,650</u>	<u>199,743</u>
Net current assets			
		<u>27,908,432</u>	<u>22,845,090</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(20,077,868)	(21,684,817)
		<u>7,830,564</u>	<u>1,160,273</u>
Net assets			
Capital and reserves			
Called up share capital	22	31,940,597	31,940,597
Revaluation reserve	23	152,482	152,482
Profit and loss account	23	(24,262,515)	(30,932,806)
		<u>7,830,564</u>	<u>1,160,273</u>

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

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D Hoult
Director

Date: 20 October 2025

The notes on pages 16 to 36 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2023	31,940,597	152,482	(28,436,766)	3,656,313
Comprehensive income for the year				
Loss for the year	-	-	(2,496,040)	(2,496,040)
At 1 January 2024	31,940,597	152,482	(30,932,806)	1,160,273
Comprehensive income for the year				
Profit for the year	-	-	6,670,291	6,670,291
At 31 December 2024	<u>31,940,597</u>	<u>152,482</u>	<u>(24,262,515)</u>	<u>7,830,564</u>

The notes on pages 16 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. General information

APS Produce Limited is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Unit 1, Chichester Food Park, Bognor Road, Chichester, West Sussex, PO20 1NW.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The company's functional and presentational currency is GBP and the financial statements have been rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of A Pearson Holdings as at 31 December 2024 and these financial statements may be obtained from Unit 1 Chichester Food Park, Bognor Road, Chichester, West Sussex, United Kingdom, PO20 1NW.

2.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.4 Going concern

To assess the liquidity and solvency of the Group the directors regularly review the cash flows both in the short and medium term, have a thorough approach to managing the working capital and hold regular reviews with each operating unit which includes an assessment of any bad debt risk or inventory impairment concerns. This is supported by regular monitoring of key performance indicators

In December 2022 P3P Partners LLP, the Group's main energy supplier, who have energy centres on the Group's growing sites and supply heat and Co2 to the Group's greenhouses, acquired the majority of the share capital of the group. Since the acquisition they have invested substantial funds into the group, in order to support the group's cash flow needs and have committed to continue to support the group over the following 12 months and beyond.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.6 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

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

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

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

2.14 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.15 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.16 Tangible fixed assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.16 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold land and buildings	- 2%-10% per annum straight line
Plant and machinery	- 5%-33.33% per annum straight line
Motor vehicles	- 15%-25% per annum straight line
Fixtures, fittings and equipment	- 10%-33.33% per annum straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.19 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.20 Debtors

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

2.21 Cash and cash equivalents

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

2.22 Creditors

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

2.23 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.23 Financial instruments (continued)

Basic 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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Judgements in applying accounting policies 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.

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. Where this cannot be determined, the lessee's incremental borrowing rate shall be used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the asset in a similar economic environment with similar terms, security and conditions.

Biological Assets and Work in Progress

At the reporting date, work in progress includes biological assets—namely plants cultivated during the current growing cycle. These assets are measured at cost, representing directly attributable expenditure incurred in acquiring, planting, and nurturing the crop. This includes inputs such as seeds, growing media, fertilisers, labour, and other cultivation costs, incurred up to the balance sheet date.

Management applies judgement in determining the extent of costs to capitalise, considering the duration and nature of the growing cycle. Where supplier invoicing is outstanding, accruals are recognised to ensure all relevant costs are reflected in the correct accounting period. In cases of uncertainty, cost estimates are based upon historical experience and management's assessment.

4. Turnover

The whole of the turnover is attributable to fruit sales.

All turnover arose within the United Kingdom.

5. Other operating income

	2024	2023
	£	£
Net rents receivable	199,305	45,329
Sundry income	68,707	183,164
	<u>268,012</u>	<u>228,493</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2024	2023
	£	£
Research & development charged as an expense	36,582	80,863
Exchange differences	74,594	415,748
Other operating lease rentals	928,484	1,322,772
Fees payable to the company's auditors and its associates for the audit of the company's annual accounts	32,000	17,352
(Profit) on sale of tangible assets	<u>(80,959)</u>	<u>-</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2024	2023
	£	£
Wages and salaries	25,657,461	19,764,617
Social security costs	1,380,104	829,100
Cost of defined contribution scheme	363,409	278,445
	<u>27,400,974</u>	<u>20,872,162</u>

Included in the above is compensation totalling £752,214 (2023 - 335,429) which was paid to a member of the key management team.

The average monthly number of employees, including the directors, during the year was as follows:

	2024	2023
	No.	No.
Management and administration	52	55
Production and packing	394	296
Other	18	-
	<u>464</u>	<u>351</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	177,276	97,446
Company contributions to defined contribution pension schemes	17,169	4,000
	<u>194,445</u>	<u>101,446</u>

During the year retirement benefits were accruing to 1 director (2023 - 1) in respect of defined contribution pension schemes.

9. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	74,708	25,857
Finance leases and hire purchase contracts	453,682	386,827
Other interest payable	528,131	527,413
	<u>1,056,521</u>	<u>940,097</u>

10. Taxation

	2024 £	2023 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(1,185,051)	(4,600,944)
Adjustment in respect of prior periods	(1,475,231)	-
Total deferred tax	<u>(2,660,282)</u>	<u>(4,600,944)</u>
	<u>(2,660,282)</u>	<u>(4,600,944)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 23.5%). The differences are explained below:

	2024 £	2023 £
Profit/(loss) on ordinary activities before tax	<u>4,010,009</u>	<u>(7,096,984)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.5%)	1,002,502	(1,667,791)
Effects of:		
Expenses not deductible for tax purposes	126,708	-
Capital allowances for year in excess of depreciation	169,389	1,667,791
Adjustments to tax charge in respect of prior periods	(1,475,231)	-
Non-taxable income	(2,469,358)	(4,600,944)
Other differences leading to an increase (decrease) in the tax charge	(14,292)	-
Total tax charge for the year	<u>(2,660,282)</u>	<u>(4,600,944)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Exceptional items

	2024 £	2023 £
Intercompany write off	<u>(9,877,432)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

12. Intangible assets

	Goodwill £
At 1 January 2024	143,000
Disposals	(143,000)
	<hr/>
At 31 December 2024	-
	<hr/>
At 1 January 2024	143,000
On disposals	(143,000)
	<hr/>
At 31 December 2024	-
	<hr/>
Net book value	
At 31 December 2024	<hr/> <hr/>
At 31 December 2023	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2024	29,220,513	8,642,452	162,845	4,103,113	42,128,923
Additions	-	261,045	-	398,995	660,040
Disposals	(5,849,377)	(35,486)	(3,500)	(1,416)	(5,889,779)
At 31 December 2024	<u>23,371,136</u>	<u>8,868,011</u>	<u>159,345</u>	<u>4,500,692</u>	<u>36,899,184</u>
Depreciation					
At 1 January 2024	9,667,334	6,976,622	71,530	2,968,090	19,683,576
Charge for the year	705,672	409,592	18,894	296,237	1,430,395
Disposals	(47,493)	(31,159)	(3,500)	(1,417)	(83,569)
At 31 December 2024	<u>10,325,513</u>	<u>7,355,055</u>	<u>86,924</u>	<u>3,262,910</u>	<u>21,030,402</u>
Net book value					
At 31 December 2024	<u>13,045,623</u>	<u>1,512,956</u>	<u>72,421</u>	<u>1,237,782</u>	<u>15,868,782</u>
At 31 December 2023	<u>19,553,179</u>	<u>1,665,830</u>	<u>91,315</u>	<u>1,135,023</u>	<u>22,445,347</u>

The net book value of land and buildings may be further analysed as follows:

	2024 £	2023 £
Leasehold	<u>13,045,623</u>	<u>19,553,179</u>
	<u>13,045,623</u>	<u>19,553,179</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2024 £	2023 £
Leasehold land and buildings	12,233,740	12,858,844
Plant and machinery	490,005	589,936
Fixtures, fittings and equipment	87,224	123,638
	<u>12,810,969</u>	<u>13,572,418</u>

Cost or valuation at 31 December 2024 is as follows:

	Land and buildings £
At cost	23,218,654
At valuation:	
Total revaluations	<u>152,482</u>
	<u>23,371,136</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2024 £	2023 £
Cost	3,960,000	3,960,000
Accumulated depreciation	(1,910,920)	(1,752,520)
Net book value	<u>2,049,080</u>	<u>2,207,480</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	200,000
At 31 December 2024	<u>200,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
The Tomato Stall Limited	Unit 1 Chichester Food Park, Bognor Road, Chichester, West Sussex, United Kingdom, PO20 1NW	Ordinary	100%

15. Stocks

	2024 £	2023 £
Work in progress	5,401,830	4,082,707
Finished goods and goods for resale	1,757,867	1,657,807
	<u>7,159,697</u>	<u>5,740,514</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

16. Debtors

	2024 £	2023 £
Due after more than one year		
Deferred tax asset (note 21)	7,820,075	5,159,793
	<u>7,820,075</u>	<u>5,159,793</u>
Trade debtors	4,575,332	4,868,408
Amounts owed by group undertakings	-	94,860
Other debtors	7,986,792	4,257,925
Prepayments and accrued income	10,555,508	295,876
	<u>30,937,707</u>	<u>14,676,862</u>

17. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	941,581	826,251
Less: bank overdrafts	(2,650,792)	(3,333,028)
	<u>(1,709,211)</u>	<u>(2,506,777)</u>

18. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdrafts	2,650,792	3,333,028
Trade creditors	8,333,453	5,852,760
Amounts owed to group undertakings	704,887	-
Other taxation and social security	329,924	639,916
Obligations under finance lease and hire purchase contracts	1,193,124	1,117,507
Other creditors	1,857,347	4,198,466
Accruals and deferred income	12,129,808	5,902,207
	<u>27,199,335</u>	<u>21,043,884</u>

The bank overdraft is secured by a fixed and floating charge.

Obligations under finance leases are secured on the assets to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Obligations under finance leases and hire purchase contracts	12,679,954	13,875,439
Trade creditors	7,397,914	7,809,378
	<u>20,077,868</u>	<u>21,684,817</u>

Obligations under finance leases are secured on the assets to which they relate.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2024 £	2023 £
Within one year	1,193,124	1,117,507
Between 1-5 years	4,186,087	4,161,768
Over 5 years	8,493,867	9,713,671
	<u>13,873,078</u>	<u>14,992,946</u>

Finance lease payments represent rentals payable by the company for the site and 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 28 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

21. Deferred taxation

	2024 £	2023 £
At beginning of year	5,159,793	558,849
Charged to profit or loss	2,660,282	4,600,944
At end of year	<u><u>7,820,075</u></u>	<u><u>5,159,793</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2024 £	2023 £
Fixed asset timing differences	2,318,897	87,384
Tax losses carried forward	5,487,505	5,072,409
Short term timing differences	13,673	-
	<u>7,820,075</u>	<u>5,159,793</u>

22. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
31,940,597 (2023 - 31,940,597) Ordinary shares of £1.00 each	<u>31,940,597</u>	<u>31,940,597</u>

23. Reserves

Revaluation reserve

The revaluation reserve arises on the revaluation of property, plant, and equipment. It represents the increase in asset values above their historical cost and is not distributable as dividends.

Profit and loss account

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners.

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £363,409 (2023 - £278,445). As at 31 December 2024, contributions of £40,471 (2023 - £73,163) were outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

25. Commitments under operating leases

At 31 December 2024 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	782,250	546,120
Later than 1 year and not later than 5 years	2,602,001	2,184,480
Later than 5 years	4,425,000	2,293,704
	<u>7,809,251</u>	<u>5,024,304</u>

26. Financial commitments, guarantees and contingent liabilities

All present and future liabilities owed to Shawbrook Bank Limited by the group are secured by a debenture dated 21 December 2022 creating a fixed and floating charge over the assets of the group, the debenture was satisfied during the year. As at 31 December 2024, the gross indebtedness to Shawbrook Bank Limited by the group totalled £Nil (2023 - £3.4m).

All present and future liabilities owed to SME Invoice Finance Limited by the group are secured by a debenture dated 26 July 2024 creating a fixed and floating charge over the assets of the group. As at 31 December 2024, the gross indebtedness to SME Invoice Finance Limited by the group totalled £2.7m (2023 - £Nil).

An invoice finance facility provided by Shawbrook Bank Limited has been made available to the group, with any loan advances received from the bank being secured against trade debtors, the charge was satisfied during the year. As at 31 December 2024, advance owing to Shawbrook Bank Limited by the group totalled £Nil (2023 - £3.4m).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

27. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions within the group involving wholly owned subsidiaries.

The company made purchases of £2,908,595 (2023 - £2,264,143) from Glasshouse Generation Limited, a company related by common directorship. The creditor outstanding at the reporting date is £2,164,077 (2023 - £3,218,982).

The company made purchases of £3,290,085 (2023 - £2,371,088) from Harvest Generation Services Limited, a company related by common directorship. The creditor outstanding at the reporting date is £2,228,774 (2023 - £2,972,580).

The company made purchases of £2,333,957 (2023 - £1,312,851) from, and sales of £Nil (2023 - £16,323) to, IOW Squirrel Limited, a company related by common directorship. The creditor outstanding at the reporting date is £2,784,427 (2023 - £1,209,005).

The company made purchases of £Nil (2023 - £259,302) from P3P Brigg Lane Limited, a company related by common directorship. The creditor outstanding at the reporting date is £Nil (2023 - £30,987).

The company made purchases of £66,788 (2023 - £Nil) from Versa Energy Limited, a company related by common directorship. The creditor outstanding at the reporting date is £52,820 (2023 - £Nil).

The company made purchases of £148,257 (2023 - £88,202) from The Isle of Wight Energy Company Limited, a company related by common directorship. The creditor outstanding at the reporting date is £151,495 (2023 - £361,501).

The company made sales of £5,830,000 (2023 - £Nil) to P3P Alderley Edge Limited, a company related by common directorship.

The company made sales of £1,736 (2023 - £Nil) to P3P Energy Management Limited, a company related by common directorship. The debtor outstanding at the reporting date is £2,083 (2023 - £Nil).

The company made sales of £101,264 (2023 - £121,639) to P3P Partners LLP, a company related by common directorship. The debtor outstanding at the reporting date is £122,928 (2023 - £121,639).

28. Parent entity and ultimate controlling party

The immediate parent company is A Pearson Holdings Limited, a company registered in England and Wales. The ultimate parent company is P3P CEA Investments Limited, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by P3P CEA Investments Limited. The consolidated accounts are available to the public and may be obtained from First Floor, 5 Fleet Place, London, United Kingdom, EC4M 7RD.

The smallest group in which the results of the company are consolidated is that headed by A Pearson Holdings Limited. The consolidated accounts are available to the public and may be obtained from Unit 1 Chichester Food Park, Bognor Road, Chichester, West Sussex, United Kingdom, PO20 1NW.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.