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Registered number: SC358965

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**TUESDAY**



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COMPANIES HOUSE

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr R A Bartlett
<b>Company secretary</b>	Mr K McGuinness
<b>Registered number</b>	SC358965
<b>Registered office</b>	New Monkland 251 Stirling Road Airdrie Lanarkshire ML6 7SP
<b>Independent auditors</b>	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
<b>Bankers</b>	The Royal Bank of Scotland plc 10 Gordon Street Glasgow G1 3PL
<b>Solicitors</b>	Pinsent Masons LLP 123 St Vincent Street Glasgow G2 5EA

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**CONTENTS**

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	Page
<b>Directors' report</b>	1
<b>Group strategic report</b>	2 - 4
<b>Directors' responsibilities statement</b>	5
<b>Independent auditors' report</b>	6 - 7
<b>Consolidated profit and loss account</b>	8
<b>Consolidated balance sheet</b>	9 - 10
<b>Company balance sheet</b>	11
<b>Consolidated cash flow statement</b>	12
<b>Notes to the financial statements</b>	13 - 27

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MAY 2014**

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The directors present their report and the financial statements for the year ended 31 May 2014.

**Principal Activities**

The principal activity of the group in the year was that of growing, packing and marketing of vegetables.

The profit for the year, after taxation, amounted to £8,486,281 (2013 - £5,788,062).

Dividends of £2,400,000 (2013 - £3,610,000) were declared in the year.

**Directors**

The directors who served during the year were:

Mr R A Bartlett

**Political and charitable contributions**

The group made the following donations for charitable purposes during the year to 31 May 2014:

	£
Local charities	77,633
UK national charities	47,435

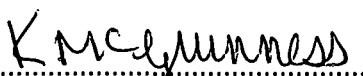
**Provision of information to auditors**

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

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

This report was approved by the board on 17-12-14

and signed on its behalf.

  
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**Mr K McGuinness**  
Secretary

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## BARTLETT INTERNATIONAL HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2014

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#### Introduction

The directors are pleased to present the group strategic report for the year.

#### Business review

The Director found the trading performance of the group to be satisfactory in the year to May 2014, the early part of which was affected by extremely high raw material prices as a result of a the shortage of UK potato supply following the poor harvest conditions experienced in 2013. Whilst raw material prices have fallen since this high, the UK retail market continues to be extremely competitive and these pressures are felt throughout the supply chain.

The group continues to develop the Albert Bartlett Brand and use its brand ambassadors, Michel Roux Jr and Andrew Fairlie, as the face of its advertising campaigns. This year's advertisements extend the Albert Bartlett story and highlight the long standing relationships we have with our grower group. Alongside our branded business, we remain fully committed to the development and success of our exclusive premium varieties and our own label offering.

The Scotty Brand business showed strong growth in the year to May 2014 with turnover rising 40% compared to the prior year. It continues to expand its product range whilst remaining true to its core values of providing the consumer with a high quality, fresh Scottish product.

In international markets, the Albert Bartlett brand continues to grow in terms of customer awareness and retailer adoption. Albert Bartlett products can now be found in 8 retail chains throughout the US, an expansion which has become possible as we add new listings alongside Walmart following the expiry of their initial period of exclusivity. Whilst the US remains our largest international presence we have increased our exposure in the Middle East with the establishment of a Joint Venture in Abu Dhabi and continue the expansion of our business activity in France and mainland Europe.

#### Principal risks and uncertainties

The management of the business and the execution of the company and group's strategy are subject to a number of risks. The key risks affecting the group are set out below:-

#### Competition

The group operates in a highly competitive market, particularly around price and product availability and quality. This results in not only constant pressure on margins but also in the risk that we may fall short of our customers' expectations. In order to mitigate this risk we continually monitor market prices and routinely undertake quality control in order to ensure that their expectations are fully met. We maintain a constant programme of innovation within our product range as well as the regular development meetings with our customers to ensure their satisfaction in the quality of the product supplied. We also seek ways in which to monitor and minimise wastage of raw materials and consider alternatives to maximise the value recovery of any waste streams.

#### Employees

The group's performance depends largely on the experience of its managers and staff. The loss of key individuals or the inability to recruit people with the right level of experience and skills could adversely impact on the financial performance. In order to mitigate these risks the group has introduced a programme for employees to enhance continuous learning and skills improvements and has implemented an incentive scheme designed to retain key individuals.

#### Produce supply

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## BARTLETT INTERNATIONAL HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MAY 2014

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Given the group's focus on product availability and quality it sources produce locally and from abroad. Throughout this sourcing the group ensures effective supplier selection in order to minimise the overall risk that is inherent within the fresh produce supply chain. The group retains staff of a specialist nature who regularly examine crops to ensure that produce is of the required quality. Stock is also bought in advance and stored to ensure availability when supply from other sources are scarce.

#### **Credit Risk**

Group policies are aimed at minimising any potential exposure and require that deferred terms are only offered where customers demonstrate an appropriate payment history and satisfy credit worthiness procedures. Credit limits are subject to regular review to ensure that limits remain appropriate to the circumstances of each customer.

#### **Liquidity risk**

The group aims to mitigate liquidity risk by managing cash generation from its operation. The group also manages liquidity risk via revolving credit facilities and long term debt.

#### **Interest rate risk**

The group manages this risk, where significant, by fixing interest payments. Hence is not materially exposed to interest rate movements.

#### **Future developments**

The Group remains committed to the development of the Albert Bartlett brand within the UK and further afield and will continue its drive into international markets, most notably building on its current activity in the US, Canada, Middle East and mainland Europe. The main area of new development within UK markets will centre on new product areas, in particular on processed potato products.

#### **Financial instruments**

The group's policy is to finance fixed assets through variable rate bank borrowings. The group does not actively use any other financial instruments as part of its financial risk management. The group's exposure to the price risk of financial instruments is not considered a significant risk. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and managed this through strict credit control procedures.

#### **Policy for payment of creditors**

It is the group's policy to pay creditors within the terms agreed when the contract of supply is made, to the extent that the creditors have fulfilled and performed their contractual obligations. Where no terms are agreed, creditors are paid within thirty days of the month end in which the invoice is received. The ratio expressed in days between amounts invoiced to the group by its suppliers in the year and the amounts owed to its trade creditors at the end of the year was 30 days (2013: 52 days).

#### **Employee involvement**

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group. This is achieved through regular consultations with employee representatives

#### **Employment policy**

The group is an equal opportunity employer committed to positive policies in recruitment, training and career development for staff members (and potential staff members) regardless of marital status, sex, religion, colour, race, ethnic origin or disability. The group gives full consideration to applications for employment by disabled

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 MAY 2014**

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persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled it is the company policy, where practical, to provide continuing employment under similar terms and conditions and to provide training and career development.

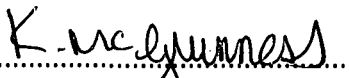
**Key performance indicators**

The Director has chosen a number of key performance indicators to measure the Group's progress. The table sets out these indicators, explaining how they relate to its strategic priorities, and how it performed against them this year:

		<b>2014</b>	<b>2013</b>	
Total sales value	To track the Group's top line performance in total as well as within different territories	£174.5m	£175.3m	Total sales fell only marginally reflecting changing sales mix in the UK and growing sales volumes overseas.
Profit on ordinary activities before taxation	To track the underlying performance of the Group and ensure sustainability	£11.5m	£8.7m	Improvement in profitability reflects the move into new territories and extensions to the Albert Bartlett brand.

This report was approved by the board on 17-12-14

and signed on its behalf.

  
.....  
Mr K McGuinness  
Secretary

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## BARTLETT INTERNATIONAL HOLDINGS LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT

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 the group and of the profit or loss of the company and the group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## BARTLETT INTERNATIONAL HOLDINGS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARTLETT INTERNATIONAL HOLDINGS LIMITED

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We have audited the financial statements of Bartlett International Holdings Limited for the year ended 31 May 2014 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2014 and of the group's 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**Matters on which we are required to report by exception**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

*BDO LLP*

*18 December 2014*

**Martin Gill** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Glasgow  
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2014**

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	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>174,485,021</b>	175,312,919
Cost of sales		<u>(118,681,079)</u>	<u>(124,457,083)</u>
<b>GROSS PROFIT</b>		<b>55,803,942</b>	50,855,836
Distribution costs		(12,018,256)	(15,273,905)
Administrative expenses		(32,131,949)	(26,339,622)
Other operating income	3	<u>380,666</u>	<u>220,539</u>
<b>OPERATING PROFIT</b>	4	<b>12,034,403</b>	9,462,848
Interest receivable and similar income		6,998	3,123
Interest payable and similar charges	8	<u>(590,672)</u>	<u>(757,012)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>11,450,729</b>	8,708,959
Tax on profit on ordinary activities	9	<u>(2,964,448)</u>	<u>(2,920,897)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	20	<b><u>8,486,281</u></b>	<b><u>5,788,062</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 13 to 27 form part of these financial statements.

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**  
**REGISTERED NUMBER: SC358965**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MAY 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Intangible assets	10		7,889,047		8,499,047
Tangible assets	11		50,777,210		45,789,649
Investments	12		30,844		30,844
			<u>58,697,101</u>		<u>54,319,540</u>
<b>CURRENT ASSETS</b>					
Stocks	13	12,779,265		19,339,841	
Debtors	14	31,058,825		35,589,178	
Cash at bank		4,880,447		2,368,990	
			<u>48,718,537</u>		<u>57,298,009</u>
<b>CREDITORS: amounts falling due within one year</b>	15		<u>(39,471,090)</u>		<u>(49,599,977)</u>
<b>NET CURRENT ASSETS</b>			<u>9,247,447</u>		<u>7,698,032</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>67,944,548</u>		<u>62,017,572</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<b>(13,039,545)</b>		<b>(13,063,280)</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	17		-		(102,331)
<b>ACCRUALS AND DEFERRED INCOME</b>	18		<u>(1,202,546)</u>		<u>(1,235,785)</u>
<b>NET ASSETS</b>			<u>53,702,457</u>		<u>47,616,176</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		10,100		10,100
Merger relief reserve	20		26,918,680		26,918,680
Profit and loss account	20		26,773,677		20,687,396
<b>SHAREHOLDERS' FUNDS</b>	21		<u>53,702,457</u>		<u>47,616,176</u>

The notes on pages 13 to 27 form part of these financial statements.

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 MAY 2014**

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

17-12-14



**Mr R A Bartlett**  
Director

The notes on pages 13 to 27 form part of these financial statements.

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**  
**REGISTERED NUMBER: SC358965**

**COMPANY BALANCE SHEET**  
**AS AT 31 MAY 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Investments	12		26,928,782		26,928,782
<b>CURRENT ASSETS</b>					
Debtors	14	16,125,000		-	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(3,250,002)</u>		<u>(2)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>12,874,998</u>		<u>(2)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>39,803,780</u>		<u>26,928,780</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(12,875,000)</u>		<u>-</u>
<b>NET ASSETS</b>			<u><u>26,928,780</u></u>		<u><u>26,928,780</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		10,100		10,100
Merger relief reserve	20		<u>26,918,680</u>		<u>26,918,680</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u><u>26,928,780</u></u>		<u><u>26,928,780</u></u>

The notes on pages 13 to 27 form part of these financial statements.

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



.....  
**Mr R A Bartlett**  
 Director

17-12-14

The notes on pages 13 to 27 form part of these financial statements.

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	23	<b>30,443,497</b>	8,767,678
Returns on investments and servicing of finance	24	<b>(583,674)</b>	(753,889)
Taxation	24	<b>(3,042,818)</b>	(2,216,189)
Capital expenditure and financial investment	24	<b>(7,946,132)</b>	(9,496,777)
Acquisitions and disposals	24	-	(6,430,994)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>18,870,873</b>	(10,130,171)
Financing	24	<b>(16,359,416)</b>	15,347,310
<b>INCREASE IN CASH IN THE YEAR</b>		<b>2,511,457</b>	5,217,139

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT  
FOR THE YEAR ENDED 31 MAY 2012 (note 25)**

	2014 £	2013 £
Increase in cash in the year	<b>2,511,457</b>	5,217,139
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	<b>16,359,414</b>	(15,347,310)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>18,870,871</b>	(10,130,171)
Other non-cash changes - new hire purchase agreements	-	(1,000,000)
Debt acquired with acquisition	-	(578,539)
Other non-cash movements	<b>(2,400,000)</b>	-
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>16,470,871</b>	(11,708,710)
Net debt at 1 June 2013	<b>(30,770,327)</b>	(19,061,617)
<b>NET DEBT AT 31 MAY 2014</b>	<b>(14,299,456)</b>	(30,770,327)

The notes on pages 13 to 27 form part of these financial statements.

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 Basis of consolidation**

The financial statements consolidate the financial statements of Bartlett International Holdings Limited and all of its subsidiary undertakings ('subsidiaries'). All intercompany transactions have been eliminated on consolidation and all subsidiaries have been accounted for on an acquisition basis. All subsidiaries have coterminous year ends.

**1.3 Turnover**

Turnover represents net invoiced sale of goods in the year, excluding value added tax.

Revenue is recognised when the significant risks of ownership have been transferred to the customer. A sales invoice is raised at the time when the goods are despatched to customers. Trade discounts based on volumes sold are deducted from turnover.

**1.4 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 17 years.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance
Aircraft	-	10% reducing balance

**1.6 Investments**

- (i) **Subsidiary undertakings**  
Investments in subsidiaries are valued at cost less any provision for impairment.
- (ii) **Unlisted investments**  
Unlisted investments are held at cost.



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## BARTLETT INTERNATIONAL HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Leasing and hire purchase

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 group. 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 the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.8 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### 1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for wastage. Stock comprises of packaging materials and goods held for resale. Work in progress comprises produce in various stages of growth.

##### 1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse and are not discounted.

##### 1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### 1.12 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.



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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

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**5. AUDITOR'S REMUNERATION**

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	15,000	15,000
Fees payable to the company's auditor and its associates in respect of:		
Audit of subsidiaries	50,000	47,500
Taxation services	23,975	23,428
	<u>          </u>	<u>          </u>

**6. STAFF COSTS**

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

	2014 £	2013 £
Wages and salaries	19,392,525	17,485,164
Social security costs	1,910,070	1,315,044
Other pension costs	805,090	481,604
	<u>          </u>	<u>          </u>
	<u>22,107,685</u>	<u>19,281,812</u>

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

	2014 No.	2013 No.
Administrative	113	106
Factory	740	771
	<u>          </u>	<u>          </u>
	<u>853</u>	<u>877</u>

**7. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	977,270	994,429
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to nil directors (2013 - nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £977,270 (2013 - £994,429). Company pension contributions to the defined benefit pension scheme for the highest paid director were £nil (2013 - £nil).

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**8. INTEREST PAYABLE**

	2014 £	2013 £
On bank loans and overdrafts	557,222	684,858
On finance leases and hire purchase contracts	33,450	72,154
	590,672	757,012

**9. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	3,083,841	2,790,481
Adjustments in respect of prior periods	(4,669)	173,416
<b>Total current tax</b>	3,079,172	2,963,897
<b>Deferred tax</b> (see note 17)		
Origination and reversal of timing differences	(114,724)	(43,000)
<b>Tax on profit on ordinary activities</b>	2,964,448	2,920,897

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.67% (2013 - 23.8%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	11,450,729	8,708,959
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.67% (2013 - 23.8%)	2,595,880	2,072,732
<b>Effects of:</b>		
Expenses not deductible for tax purposes	193,063	184,702
Capital allowances for year in excess of depreciation	197,085	100,224
Adjustments to tax charge in respect of prior periods	(4,669)	173,416
Non-taxable losses	97,813	432,823
<b>Current tax charge for the year</b> (see note above)	3,079,172	2,963,897

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**10. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £</b>
<b>Cost</b>	
At 31 May 2014	<u>10,333,047</u>
<b>Amortisation</b>	
At 1 June 2013	1,834,000
Charge for the year	610,000
At 31 May 2014	<u>2,444,000</u>
<b>Net book value</b>	
At 31 May 2014	<u>7,889,047</u>
	<u>8,499,047</u>
At 31 May 2013	<u>8,499,047</u>

Goodwill is amortised over a period of 17 years.

**11. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold land &amp; buildings £</b>	<b>Plant &amp; machinery, motor vehicles, fixtures &amp; fittings £</b>	<b>Aircraft £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 June 2013	39,123,950	16,508,741	1,588,247	57,220,938
Additions	6,608,940	1,759,511	-	8,368,451
Disposals	(18,845)	(1,545,947)	-	(1,564,792)
At 31 May 2014	<u>45,714,045</u>	<u>16,722,305</u>	<u>1,588,247</u>	<u>64,024,597</u>
<b>Depreciation</b>				
At 1 June 2013	2,258,173	8,626,918	546,198	11,431,289
Charge for the year	634,643	2,252,647	104,205	2,991,495
On disposals	-	(1,175,397)	-	(1,175,397)
At 31 May 2014	<u>2,892,816</u>	<u>9,704,168</u>	<u>650,403</u>	<u>13,247,387</u>
<b>Net book value</b>				
At 31 May 2014	<u>42,821,229</u>	<u>7,018,137</u>	<u>937,844</u>	<u>50,777,210</u>
At 31 May 2013	<u>36,865,777</u>	<u>7,881,823</u>	<u>1,042,049</u>	<u>45,789,649</u>

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

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**11. TANGIBLE FIXED ASSETS (continued)**

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

<b>Group</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Plant and machinery	<b>956,345</b>	1,275,126
Aircraft	-	1,042,049
	<u><b>956,345</b></u>	<u><b>2,317,175</b></u>

Included in land and buildings is freehold land at cost of £13,725,013 (2013 - £7,777,512) which is not depreciated.

**12. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Unlisted investments £</b>
<b>Cost or valuation</b>	
At 1 June 2013 and 31 May 2014	<u><b>30,844</b></u>
<b>Net book value</b>	
At 31 May 2014	<u><u><b>30,844</b></u></u>
At 31 May 2013	<u><u><b>30,844</b></u></u>
	<b>Investments in subsidiary companies £</b>
<b>Company</b>	
<b>Cost</b>	
At 1 June 2013 and 31 May 2014	<u><b>26,928,782</b></u>
<b>Net book value</b>	
At 31 May 2014	<u><u><b>26,928,782</b></u></u>
At 31 May 2013	<u><u><b>26,928,782</b></u></u>

Details of the principal subsidiaries can be found under note number 30.

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**13. STOCKS**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Packaging	1,237,382	311,996	-	-
Work in progress	1,350,155	2,078,686	-	-
Finished goods and goods for resale	10,191,728	16,949,159	-	-
	<u>12,779,265</u>	<u>19,339,841</u>	<u>-</u>	<u>-</u>

**14. DEBTORS**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	25,636,965	31,282,515	-	-
Amounts owed by group undertakings	-	1	16,125,000	-
Other debtors	3,533,332	3,558,090	-	-
Prepayments and accrued income	1,876,135	748,572	-	-
Deferred tax asset (see note 17)	12,393	-	-	-
	<u>31,058,825</u>	<u>35,589,178</u>	<u>16,125,000</u>	<u>-</u>

The amount of £16,125,000 due from group undertakings to the company is likely to be recoverable after one year.

**15. CREDITORS:  
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Bank loans and overdrafts	3,250,002	19,502,379	3,250,002	-
Net obligations under finance leases and hire purchase contracts	399,264	539,043	-	-
Trade creditors	13,378,412	17,570,365	-	2
Corporation tax	2,059,642	2,023,288	-	-
Other taxation and social security	1,127,609	1,092,433	-	-
Other creditors	15,814,682	5,734,221	-	-
Accruals and deferred income	3,441,479	3,138,248	-	-
	<u>39,471,090</u>	<u>49,599,977</u>	<u>3,250,002</u>	<u>2</u>

The bank loans are secured by a bond and floating charge over the assets of the group. They are the subject of cross guarantees from other group companies. Capital repayments of £1,625,000 are made every six months, July and January, with the remaining loan balance being repayable in January 2017. Interest is charged at 1.75% over LIBOR.

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**15. CREDITORS:  
Amounts falling due within one year (continued)**

Included in the other creditors is a balance payable under an invoice discounting facility of £2,302,686 (2013 - £NIL) which is secured over trade debtors. This balance is included in debts due within one year in note 25.

The amounts due under finance leases and hire purchase contracts are secured against the assets concerned.

**16. CREDITORS:  
Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Bank loans	12,875,000	12,500,000	12,875,000	-
Net obligations under finance leases and hire purchase contracts	164,545	563,280	-	-
	<u>13,039,545</u>	<u>13,063,280</u>	<u>12,875,000</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
<b>Between one and two years</b>				
Bank loans	12,875,000	12,500,000	12,875,000	-
	<u>12,875,000</u>	<u>12,500,000</u>	<u>12,875,000</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Between one and five years	164,545	563,280	-	-
	<u>164,545</u>	<u>563,280</u>	<u>-</u>	<u>-</u>



**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**17. DEFERRED TAXATION**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
At beginning of year	(102,331)	(145,331)	-	-
Other movement (P&L)	114,724	43,000	-	-
At end of year	<u>12,393</u>	<u>(102,331)</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Accelerated capital allowances	<u>12,393</u>	<u>(102,331)</u>	<u>-</u>	<u>-</u>

**18. ACCRUALS AND DEFERRED INCOME**

	<u>Group</u>		<u>Company</u>	
	2014 £	2013 £	2014 £	2013 £
Deferred government grants	<u>1,202,546</u>	<u>1,235,785</u>	<u>-</u>	<u>-</u>

Grants were received in respect of the purchase of machinery and additions to land and buildings. Amounts are released to the profit and loss account over the same period that the asset is depreciated.

**19. SHARE CAPITAL**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
10,100 Ordinary shares of £1 each	<u>10,100</u>	<u>10,100</u>

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**20. RESERVES**

	<b>Merger relief reserve £</b>	<b>Profit and loss account £</b>
<b>Group</b>		
At 1 June 2013	26,918,680	20,687,396
Profit for the financial year	-	8,486,281
Dividends: Equity capital	-	(2,400,000)
	26,918,680	26,773,677
At 31 May 2014	26,918,680	26,773,677
		<b>Merger relief reserve £</b>
<b>Company</b>		
At 1 June 2013 and 31 May 2014		26,918,680

**21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2014 £</b>	<b>2013 £</b>
<b>Group</b>		
Opening shareholders' funds	47,616,176	45,438,114
Profit for the financial year	8,486,281	5,788,062
Dividends (note 22)	(2,400,000)	(3,610,000)
	53,702,457	47,616,176
Closing shareholders' funds	53,702,457	47,616,176
<b>Company</b>	<b>2014 £</b>	<b>2013 £</b>
Shareholders' funds at 1 June 2013 and 31 May 2014	26,928,780	26,928,780

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £2.4million (2013 - £3.6million).

**22. DIVIDENDS**

	<b>2014 £</b>	<b>2013 £</b>
Dividends declared on equity capital	2,400,000	3,610,000

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	12,034,403	9,462,848
Amortisation of intangible fixed assets	610,000	610,000
Depreciation of tangible fixed assets	2,991,495	3,117,558
(Gain)/loss on disposal of tangible fixed assets	(32,924)	(141,017)
Government grants	(91,677)	(37,420)
Decrease/(increase) in stocks	11,789,145	(7,136,136)
Decrease/(increase) in debtors	4,542,750	(6,038,680)
(Decrease)/increase in creditors	(1,399,695)	8,930,525
<b>Net cash inflow from operating activities</b>	<b>30,443,497</b>	<b>8,767,678</b>

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	6,998	3,123
Interest paid	(557,222)	(684,858)
Hire purchase interest	(33,450)	(72,154)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(583,674)</b>	<b>(753,889)</b>

	2014 £	2013 £
<b>Taxation</b>		
Corporation tax paid	(3,042,818)	(2,216,189)

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(8,368,451)	(9,978,136)
Proceeds from sale of tangible fixed assets	422,319	481,359
<b>Net cash outflow from capital expenditure</b>	<b>(7,946,132)</b>	<b>(9,496,777)</b>

**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

**24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2014 £	2013 £
<b>Acquisitions and disposals</b>		
Purchase of group undertakings	-	(6,338,036)
Net overdrafts acquired with group undertakings	-	(92,958)
<b>Net cash from acquisitions and disposals</b>	-	(6,430,994)
	2014 £	2013 £
<b>Financing</b>		
New loans/invoice discounting facility	6,302,686	20,500,000
Repayment of loans	(19,877,379)	(1,076,160)
Repayment of finance leases	(538,515)	(878,929)
Loans to directors	(2,246,208)	(3,197,601)
<b>Net cash (outflow)/inflow from financing</b>	(16,359,416)	15,347,310

**25. ANALYSIS OF CHANGES IN NET DEBT**

	1 June 2013 £	Cash flow £	Other non-cash changes £	31 May 2014 £
Cash at bank and in hand	2,368,990	2,511,457	-	4,880,447
<b>Debt:</b>				
Debts due within one year	(20,041,422)	14,113,210	23,736	(5,904,480)
Debts falling due after more than one year	(13,063,280)	-	(23,736)	(13,087,016)
Director's loan account	(34,615)	2,246,208	(2,400,000)	(188,407)
<b>Net debt</b>	(30,770,327)	18,870,875	(2,400,000)	(14,299,456)

The non-cash movement reflected above is a dividend of £2.4m credited to the director's loan account (note 28).

**26. PENSION COMMITMENTS**

During the year the group operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost for the year was £481,604 (2013 - £315,996). At the year end pension contributions totalling £6,300 (2013 - £11,280) were included within other creditors.

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

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**27. OPERATING LEASE COMMITMENTS**

At 31 May 2014 the group had annual commitments under non-cancellable operating leases as follows:

<b>Group</b>	<b>Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
<b>Expiry date:</b>	<b>£</b>	<b>£</b>
Within 1 year	<b>61,976</b>	60,060
Between 2 and 5 years	<b>20,000</b>	20,000
	<u><u>          </u></u>	<u><u>          </u></u>

**28. RELATED PARTY TRANSACTIONS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Mr R A Bartlett - director's loan account	<b>188,407</b>	34,615
	<u><u>          </u></u>	<u><u>          </u></u>

During the year Mr R A Bartlett, director, withdrew loans of £2,246,208 (2013 - £3,197,601) from the group. A dividend payment of £2,400,000 was credited to his loan account in the year (2013 - £3,610,000). The outstanding balance at the year end relating to these transactions was a creditor of £188,407 (2013 - £34,615). The maximum balance outstanding during the year was £2,211,593.

During the year Albert Bartlett & Sons (Airdrie) Limited supplied sponsorship to a sole trader business owned by Mr R A Bartlett, a director, amounting to £100,000 net of VAT (2013 - £100,000). There were no balances outstanding relating to these transactions at the year end.

The group has taken advantage of the exemption under paragraph 3(c) of FRS 8 and accordingly transactions between companies within the group are not disclosed.

**29. CONTROLLING PARTY**

The company is controlled by Mr R. A. Bartlett.

**30. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Albert Bartlett & Sons (Airdrie) Limited	UK	100	Growing, packing and marketing of vegetables
Scotty Brand Limited	UK	100	Sale and marketing of scottish produce
Albert Bartlett & Sons (Jersey) Limited	Jersey	100	Growing, packing and marketing of vegetables
Hedgehunter Limited	Jersey	100	Growing, packing and marketing of vegetables
Albert Bartlett USA Inc	USA	100	Growing, packing and marketing of vegetables
Macrocom (1023) Limited	UK	100	Purchase of land for future development

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**BARTLETT INTERNATIONAL HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2014**

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**30. PRINCIPAL SUBSIDIARIES (continued)**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Amal-grow Produce Limited	Jersey	100	Growing, packing and marketing of vegetables
Amal-grow Property Limited	Jersey	100	Property investment

**31. FINANCIAL INSTRUMENTS**

The principal financial instruments of the group during the financial year ended 31 May 2014 and as at the balance sheet date were trade receivables (note 14) and payables (note 15), bank borrowings (notes 15 & 16) and cash. The financial assets are trade receivables and cash. These are all categorised as cash and receivables. The financial liabilities are trade payables, including invoice discounting facility bank borrowings. The company has no financial instruments other than fixed asset investments.

Trade receivables are subject to standard payment terms and conditions and terms in respect of trade payables are as noted below.

The principal risk arising from the group's financial instruments is interest rate risk. The majority of the transactions undertaken in the year are in sterling; therefore the group's exposure to foreign currency risk is minimal. The group benefitted from low interest rates during the year.

The fair value of the group's financial assets and liabilities at the balance sheet date is not materially different to their book value.

The group's working capital is funded largely by bank borrowings and an invoice discounting facility. The group has a bank loan of £16,125,000 of which £3,250,00 is due within one year. At the balance sheet date, there were undrawn invoice discounting facilities available to the group of £14,042,310.

It is group policy to secure funding at the most cost-effective rates of interest available to the group.

Further details on the group's policies on credit risk, interest risk and liquidity risk are shown in the directors' report.

**Capital management**

The group's capital base is as set out in notes 19 and 20 (Share Capital and Reserves respectively). It is the policy of the board that trading plans should result in cash positive results. The board consider carefully all significant capital projects and where necessary ensures that the funding of such is achieved through utilisation of the most appropriate funding mechanism. The directors consider all these things by reference to projected costings and budgets, taking into account funding structures and sources and its overall objectives and policies to mitigate risk.