

# 2021 Annual report

& financial  
statements



# Our business today

A leading force in the fresh produce industry both in the UK and abroad, Fresca Group Limited is an investor and parent company.

The portfolio of businesses and brands within the group reflects a deep-rooted entrepreneurial spirit and drive. Whilst originally known as an importer and trader, selling to customers in the retail and wholesale sectors, the interests of the group have broadened in recent years, with vertical integration a key part in the company's story.

Fresca Group now includes companies that own land and grow fresh produce, often together with specialist partners of global renown. This production is located both in the UK and much further afield. The company's facilities also add value to that produce with the capacity to ripen and pack to order.

Still dedicated to fresh produce and still privately-owned, Fresca Group can trace its roots back to a stand at Covent Garden Market over 145 years ago.

Directors	C P Mack (Chairman) M P Fletcher J Cox S J Hodson (non-executive) E McMeikan (non-executive)
Registered Number	05307204
Registered Office	The Fresh Produce Centre, Transfesa Road, Paddock Wood Kent, TN12 6UT
Auditor	BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL
Bankers	HSBC UK Bank Plc, 38 High Street, Dartford, Kent, DA1 1DG
Solicitors	DAC Beachcroft LLP, The Walbrook Building, 25 Walbrook, London, EC4N 8AF



**YOUR FIRST CHOICE PRODUCE PARTNER**



Sales  
**£414m**



Net assets  
**£63m**





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# 100% owned



Importer, packer, ripener and marketer of fresh fruit. Based in Evesham, Worcestershire.



Avocado specialist; grower, importer and marketer. Based in Paddock Wood, Kent.



Connecting people, places and products around the world. Direct representation for growers, delivering new sales opportunities.



Fresh produce service solutions, from field to consumer. Based in Paddock Wood, Kent.



Logistics and customs service for fresh produce.



Experts in the growing & supply of speciality vegetables. Innovative, with an ever expanding product portfolio.



Branches in Birmingham, Bristol and Southampton. Broad customer base, including foodservice, caterers, secondary wholesalers, cruise lines, airlines and retail chains.



Importer and marketer of fresh fruit. Based in Paddock Wood, Kent.



Marketing and commercial rights management of new table grape varieties.

# Joint ventures



Growing, packing & marketing speciality tomatoes, peppers & cucumbers from landmark site in Kent.



Potatoes and vegetables - marketing and packing.



Research and commercialisation of exceptional new plum and interspecific stone fruit varieties from the Zaiger breeding programme in South Africa.



Marketing the avocado production of the leading Colombian avocado producer, Cartama, in the UK.



Importer of Colombian avocados for customers across Europe.

# Our values

## Flexibility

In our way of working, our service and our direction

## Resourcefulness

Finding solutions, even in the toughest of times

## Excellence

In our products, our people, our facilities and our performance

## Sustainability

Working for a greater future, stronger ethics & longer relationships

## Character

A group with diversity, passion and personality; with people who care

## Ambition

Driving developments for Fresca, for our people and our partners



# Chairman's report

Period from 25 April 2020 to 30 April 2021

It may be normal to re-tell the story of the last year in this Report, but this has been no ordinary year.

I shall let the following pages detail the fortunes of our business over that time but take this opportunity to express my enduring thanks to all in Fresca Group and in our network beyond for the most extraordinary performance in the face of adversity.

As we began our financial year in April 2020, no one knew how long the lockdown period would last. We could see COVID spreading rapidly around the world, we feared for friends, family and indeed for our own safety against this new threat. More than one year on we are still living with restrictions. It seems we must learn to live with COVID and find new ways to retain the human connections that are so important to a business like ours.

If there's one thing I will take forward from this year, it's how well our values underpin the approach and conduct of everyone in a Fresca business. We showed complete flexibility, reacting quickly to changing circumstances, listening to new ideas and adapting to accommodate so many new risks. We were resourceful, using our group's strength and structure to bring options for support where it was needed. We did indeed find solutions to seemingly impossible questions. We retained our focus on excellence and customer service.



Whether supermarket or market trader, keeping Britain fed became more important than ever before. And we chose to do that without compromising on the quality of our supply.

Even through these circumstances, we focused on the longer goals to make a more sustainable future. Action to reduce our impact on climate change cannot wait. Our long-term plans to reduce the carbon footprint of our products have made very good progress despite the prevailing operational pressures. We've driven positive new developments for our business too, with major investment planned, approved and now undergoing implementation at The Fresh Produce Centre, Primafruit and at DGM Growers. To achieve anything like as much as we have through this year is utterly incredible and testament to the character of our people. Fresca people are passionate and care deeply about the job they do. I have tried many times to explain how working with fresh produce can hold such an emotional tie, but I conclude that you need to really live it to understand. Fresca people will know what I mean.

The kindness and caring that our COVID response has brought, has been remarkable for me. I had no doubt that our businesses would happily support wherever possible with donations of fresh produce for emergency workers and vulnerable people, but I was most heartened by the level of care between colleagues. This dreadful virus has brought tragic loss to many in our Fresca family, with loved ones taken too soon. Our thoughts will stay with you and with those we have lost.

As I look forward, I hope for more positive times. The signs are so encouraging with vaccinations appearing successful and with a much-improved global outlook. I look around our network of companies and see excitement building from the basis of this year's good financial result. We maintain our momentum and our pledge never to stand still. We're determined to deliver more in British food production by investing in technology and growing protected crops. We're determined to deliver more in sustainable production abroad with our first Hass avocado fruit from Fresquita Farms in Colombia arriving later this year. Major investments such as these are key to our continuing development as a group of companies as we seek to add value for our people, our shareholders and our customers.



We have invested in our people, with major management changes to help deliver our plans. I welcomed Martyn Fletcher to Fresca in 2020. James Cox has joined us as Chief Financial Officer in July 2021, and we have made a number of other important senior appointments across the business.

As the UK comes to terms with life post-COVID and outside of the EU, there will be considerable change and a need for real focus on where we want to position the business. I am pleased to say that all parts of the group have very clear plans for the future and that these all benefit from the synergies of our structure.

Reflecting on an extraordinary year, I have never been prouder of our group of people and our group of businesses. My sincere thanks to all.

*Chris Mack*  
*Chairman*



# Strategic report

Period from 25 April 2020 to 30 April 2021

The events of the last year can be described as nothing less than extraordinary. The response of our workforce to the challenges both of COVID-19 and of Brexit has been exemplary; the board would like to express its gratitude to all Fresca Group colleagues.





# Business Review

The early months of coronavirus presented exceptional circumstances, with high volatility in supply and demand. By working closely with our growers and customers, our companies met this demand and showed extraordinary resilience to ensure we continued to feed the nation.

We could not be prouder of our people. Truly 'food heroes', our teams adapted to every challenge, prioritising the health and safety of colleagues whilst remaining focused on our commitments to our customers. Every team played a vital part in our response. Our IT teams facilitated a mass move to effective home-working. Our Compliance teams reviewed and enforced new guidelines and legislation and our Facilities teams worked round the clock to reconfigure packing lines to meet social distancing requirements. Operational colleagues quickly adapted to new PPE, hygiene measures and shift patterns whilst always meeting additional volume demands. We supported vulnerable colleagues and ensured effective communications with all our teams, customers and growers alike.

Not only did our business units all rise to the challenge, they successfully navigated through the uncertainty surrounding Brexit. Special mention must be made of our customs clearing business, Fresh Clear. This team deserves every credit for their outstanding support and service, working tirelessly with those in our supply chain to ensure the continuous delivery of goods.

The Fresca result reflects an overwhelmingly positive year for the group. Sales of £414m were in line with our expectations, reflecting the cessation of a significant customer contract from the prior year. A strong pre-tax profit figure of £4.4m reflects our focus on effective cost and margin management, particularly noteworthy considering the additional expense associated with COVID-19 measures and Brexit preparation.



*Martyn Fletcher, Group Chief Executive*

The Avocado Company has performed ahead of expectations, with customer contract wins in this period contributing to significant additional market share.

Mack Fruit has continued its solid performance and specialism particularly in the melon category, growing its market share and developing new prospects for growth.

# Strategic report cont.

Period from 25 April 2020 to 30 April 2021

The multi-year programme to turnaround our Fresh Plus business is progressing at pace. We will continue the positive momentum gained over the last year as we pursue a new commercial proposition to deliver a high quality service provision for all our customers. To that end, work is underway to deliver an unrivalled centre of excellence for ripening and packing.

Our business in Evesham, Primafruit, remains committed to serving its dedicated retail customer. Enjoying the benefits of newly-extended facilities, the company has grown its business in targeted categories such as berries and has moved quickly to ensure that the recently integrated exotics products are managed well from farm through to store.

Our Wholesale business has performed in line with expectations. Bristol and Southampton were able to trade well overall, with each branch quickly adapting their offer to facilitate fresh produce box schemes and to provide customers with a home delivery solution in order to support sales in this difficult and unprecedented time. An achievement indeed, considering the significant challenges in the wholesale sector, pertaining to the closure of hospitality and food-service through the lock down periods.

Mack Ship Stores continued to supply essential stock to crews retained on board the resting ships and worked to avoid food waste from life-limited holding stock.

To avoid food waste, a charitable redistribution exercise meant that we were able to ensure many thousands of local people-in-need could benefit. The Ship Stores team have worked hard during the year to build positive new customer relationships, redefine their proposition and redesign their operations to make the most of expansive new refrigeration space that came with Fresca investment last year.

DGM Growers, our speciality vegetable business in Holbeach, moved into their newly-constructed packing factory, chicory growing rooms and staff welfare facilities, which are significantly more spacious and offer a tailored solution for our customers. Indoor production continues – the new chicory production facilities are every bit as efficient and productive as expected. A good summer meant a high yield growing season for DGM's outdoor crops, such as courgettes and fennel. Supermarket demand was very strong, serving a public with more time and appetite for cooking at home. This company also successfully implemented a new ERP system on time and on budget, to provide better management of information and smoother transactional activity.

Manor Fresh, our joint venture potato and vegetable business, stepped up to meet the unprecedented demand from its retail customers and achieved sales growth ahead of the market. Furthermore, it secured a significant business win with its principal customer, which will provide us with new investment opportunities to drive further efficiencies and fuel future growth.

Fresca's largest joint venture business, Thanet Earth in Kent, grows speciality tomatoes, peppers and cucumbers for UK retailers. It has performed extremely well, delivering a result that exceeded our expectations.

Whilst UK production has become a core part of today's business for Fresca, our global contacts also help facilitate our investment in production overseas. As we look forward to 2022, we will be celebrating the arrival of the first Hass avocado fruit from our own farm in Colombia. Together with our partners, Cartama, Fresca has invested in land in Antioquia. Producing some of the finest avocados in the world, this fruit is grown in a way that meets our aspirations of doing business with purpose. The land was selected because it's perfectly suited to sustainable production methods that benefit the environment. Our partner was selected because they use their business to bring long term economic and social benefit to the region.

Such investment in agriculture and horticulture both in the UK and further afield brings vertical integration that underpins our strong commercial proposition in the UK and European markets. The group has created a new joint venture business this year, in Cartama Europe. This simple proposition connects Colombian Hass avocado production with retail and foodservice buyers across Europe, offering a clear point of difference in a world where transparent supply chains matter more and more.

In the pursuit of innovation and the search for new fruit varieties, Grape Evolution's development and trials work continue, with increased plantings across Europe with varieties reflecting increased demand.

Fresca Spain have been challenged by movement restrictions during the pandemic but have still succeeded in maintaining the strong relationships needed with our growers. They have been key to aiding our procurement to meet the additional demand and in managing the extreme pressures of logistics, not only through Coronavirus but through the Brexit transition period too.

In summary, we have made overwhelmingly positive progress this year resulting in Fresca Group delivering a robust cash position with a strong consolidated £8.5m EBITDA performance (2020: £4.3m).

## Principal Risks and Uncertainties

The Coronavirus pandemic caused the temporary closure of numerous factories in the fresh food sector to enable outbreaks to be managed, proving costly in operational downtime and disrupting customer service. Exemplary management, a willing workforce and an uncompromising approach to health and safety standards all contributed to Fresca facilities remaining open and fully operational throughout. However, our businesses remain vigilant, in order to mitigate any resurgence of the pandemic, by maintaining the rigorous approach to health, safety and welfare of our workforce.



# Strategic report cont.

Period from 25 April 2020 to 30 April 2021

The Fresca board monitors market performance for its key customers and products, seeking to identify trends and opportunities which then feed into the strategic direction for the business. Maintaining current partnerships and forging relationships with new customers is also key to mitigate risk from competitor activity. To this end, Fresca wants to be considered as the 'first choice produce partner' for our customers, and our management teams work tirelessly to bring forward initiatives to promote longer term relationships, with shared goals.

Primafruit, Manor Fresh, The Avocado Company and Mack Ship Stores all have long term contractual agreements with primary customers, thereby reducing risk and encouraging a sustainable, value sharing approach to growing business together. Such agreements underpin capital expenditure projects and driving ongoing efficiencies.

Brexit is a longer-term risk to our sector and access to labour is Fresca's primary concern. This is mitigated in part by strengthening our engagement with agency labour and seasonal labour providers, as well as consulting with policymakers and industry voices. Fresca employs people from 35 nationalities, most of whom have migrated to the UK from Europe seeking permanent employment. The group values the diversity of its workforce and attracting and retaining operational colleagues for our factory and warehouse work is a key focus. We continue to work on mitigating this risk by investing in retention, training programmes and automation.

The risk of modern slavery in the food supply chain remains a concern. Our businesses continue to review this risk and each have robust reporting mechanisms in place to help identify issues. Furthermore, the group promotes awareness campaigns and offers multiple channels for staff and contractors to report a concern.

Risks of extreme weather, drought and global politics remain. Each have the potential to interrupt supply, and events beyond our control will inevitably arise. Maintaining a global network is an essential risk mitigation and contingency sources are developed for all products. This risk is managed by working collectively with specialists and maintaining best practice in all our facilities.

## Going Concern

The directors have considered the status of the group as a going concern and are satisfied it will continue in business for the foreseeable future. To reach this conclusion the directors considered the business activities of the company and group and the principal risks and uncertainties as set out above, with particular regard to the impact of coronavirus. The group continued to trade profitably throughout the pandemic. Demand for produce increased during lock-down as UK consumers were unable to access broader food service and hospitality offerings. The group continued to source, store, package and transport product from suppliers to customers through its existing logistics partners and by establishing a safe working environment to enable colleagues to continue working.

Having successfully traded through the challenging lockdown periods, the directors see no reason why the group should not be able to continue to perform to expectations if the pandemic endures over the long term.

However, as a precaution, the directors have also prepared cash flow forecasts out to April 2023 under a range of scenarios. These show that the group could continue to trade as a going concern across these scenarios within the existing finance facilities.

As a result, the directors believe the group is well placed to manage its financing and other significant risks and will be able to operate within the scope of its existing facilities for the foreseeable future. For this reason, the directors consider it appropriate for the company to adopt the going concern principle in preparing its financial statements.

## Business Performance

Each company in the group has a defined strategy and measures performance with specific KPIs developed as appropriate. The Fresca Group board maintains an overview by using these KPIs which cover both financial and non-financial measures, such as case volume data, turnover, gross margin, operating costs and waste.

Regular reporting of health, safety and welfare data, environmental performance and of employee survey results adds context and warning of non-financial risks that might affect the performance of the business.

At least one member of the Fresca Group board sits on the board of each subsidiary.

## Section 172 Statement

The directors recognise that their duties, as set out in section 172 of the Companies Act 2006, require them to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (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.

A rolling three-year business plan runs parallel to the company's strategy and promotes the success of the company for the benefit of our members. As described in the Directors' Report we actively engage with and support our employees as a responsible employer. We also consider health, safety and welfare as our primary responsibility with structure and processes to support this. Each site is resourced to support these aims and all board meetings consider health, safety and welfare as a primary agenda item.

Our strategy is focused on delivering value to our customers and we recognise the importance of all in our supply chain who make this possible. Customer and supplier relationships are embedded and managed in each of our businesses. Each business reports on these to their managing board which in turn reports to the Fresca board.

We actively consider the many communities we impact. Fresca companies continue to support foodbank charities like FareShare. Further afield, we encourage and acknowledge the work of our growers who are improving facilities and services in their own communities in pursuit of a more sustainable future.

# Strategic report cont.

Period from 25 April 2020 to 30 April 2021

We are proud of our attention and commitment to prevent modern slavery. As reported in our Director's Report, our sites are increasingly energy efficient as a result of investments made; our strategy specifically considers opportunities to further improve our energy efficiency and reduce our reliance on fossil fuels.

Our reputation and high standards of service are critical to all our customers. In order to serve the retail sector, conformance against comprehensive audit schemes is a pre-requisite and the company invests in systems, processes and training to ensure that compliance and accreditation is maintained and that high standards are assured. Our accreditations cover facilities, ethical practice and operating processes. Our businesses are regularly audited by the British Retail Consortium, Sedex and our customers' own food integrity audit teams.

Our shareholder mix and the various employee trusts demand a high level of corporate governance and open communication. This promotes transparency and fairness between members of the company.

## Future Developments

Work is well underway at The Avocado Company to ensure that the facilities become 'best in class' in the flexible ripening and packing of avocados, which supports our long-term growth ambitions in this product area.

DGM Growers look to further invest in vertical integration.

By growing more of our products ourselves we can control the integrity of the supply chain and ensure that the values we care about are truly reflected in the products we sell. In order to become the first choice produce partner for our customers, the board has agreed a more values-driven approach to business going forward, making environmental and socially responsible principles more prominent in our decision-making. To this end, Fresca will begin reporting our sustainability achievements so we can be transparent about our work in this field.

Our board also wants to ensure that the succession of our talent continues to reflect the world around us and that we remain a fully-inclusive employer of choice.

We move forward also with changes to our most senior leadership team. As reported last year, Ian Craig stood down as CEO in 2020 and more recently, Brett Sumner resigned as Finance Director and left in July 2021.

I would like to thank both Ian and Brett for their unfailing commitment to Fresca, and wish them well for their future.

I would like to take this opportunity to welcome James Cox as our new Chief Financial Officer, and I wish him every success in helping to drive the business forward as we enter a new chapter for the group.



This has been one of the most unusual, yet rewarding years I have ever experienced in business. Joining Fresca in August 2020, I found a warm welcome from a committed and talented team. As a team, we have worked extremely well to maximise the very best of our collective strengths and capabilities. The results of which are illustrated in our strong performance, despite the circumstances of the pandemic. We have worked together to define our vision for each business and for the group overall, with robust plans in place for delivery.

This year's group result has been achieved thanks to the resilience and tenacity of our teams both in the UK and around the world, and through the unfailing support of our growers and our customers. On behalf of the board, I would like to extend my thanks to all for an outstanding performance in a truly extraordinary year.

*Martyn Fletcher*  
*Group Chief Executive*

*Approved by the Directors on 8 September 2021*





# Directors' report

Period from 25 April 2020 to 30 April 2021

The directors who served during the period and up to the date of signing the financial statements were:

C P Mack (Chairman)

I A Craig (resigned 30 April 2021)

M P Fletcher (appointed 3 August 2020)

B G Sumner (resigned 8 July 2021)

J Cox (appointed 9 July 2021)

S J Hodson (non-executive)

E McMeikan (non-executive)



**YOUR FIRST CHOICE PRODUCE PARTNER**



## Principal activities

The principal activity of the group remains the supply of fresh produce to retail, catering and wholesale customers. The principal activity of the Company continues to be that of acting as a group holding company.

## Qualifying third party indemnity provisions

The Company has put in place qualifying indemnity provisions for all the directors.

## Results and dividends

The profit for the period, after taxation and minority interests, amounted to £3,266,000 (2020 loss: £747,000).

Dividends of £1,240,000 were paid during the period (2020: £851,778) and the directors recommended a final dividend of 1.1p per share (2020: 1.1p).

## Donations

Companies within the Fresca Group support a number of local charities on a divisional basis. During the period the group made £21,488 of charitable donations (2020: £6,324)

## Likely future developments in the business

Information on likely future developments in the business has been included in the strategic report.

## Employee involvement, diversity and development

Over the past year, it was more important than ever to engage regularly with our workforce as many changes were required to our ways of working, building logistics, recreation facilities, and in some instances to working patterns, to ensure the safety of everyone. Where we couldn't hold socially distanced meetings and briefings, many took place via online Teams sessions, or were communicated through our other non-contact channels, and followed up afterwards. We maintained our usual 'open door' approach, albeit more virtually, and encouraged colleagues to offer suggestions to compliment these new measures.

We have been delighted by the level of engagement from our teams – both the quality and quantity of feedback has been very encouraging. The group has an employee communication app as an additional tool for employees to connect with the business. As a minimum, news regarding financial performance and economic factors affecting the business is shared with all employees annually, or more frequently if appropriate.

The Fresca Group offers an all employee Share Incentive Plan trust to encourage active investment by qualifying employees in the business. This trust as well as The Fresca ESOP trust are managed by The Fresca ESOP Limited which effectively controls a significant proportion of the shares in the company (43.1% as at 30 April 2021). Both trusts are protected under trust deeds that exist for the benefit of employees of the Fresca Group businesses.

All employees receive equal opportunities for training and career development.

The Fresca Group supports and promotes diversity in its workforce, recognising that the pool of creativity, experience and knowledge is enhanced by people of different backgrounds, age and ability.

As detailed in the group's Equality & Diversity Policy document, the companies in Fresca Group are committed to recruitment, training and promotion free from discrimination. Full and fair consideration is given to applications for employment and promotion from disabled persons. Those employees who become disabled during the course of their employment can expect reasonable effort, adaptation and training to be given to ensure their continuing employment.

## Environment

Environmental issues continue to be a highly important consideration in our supply chain and we continue to measure waste, energy, water, plastic, greenhouse gases and human impact that our businesses directly affect.

All of Fresca's retail supply businesses are members of WRAP and have actively taken steps to reduce food waste - all are zero waste to landfill sites. Being significant donors to Fareshare, and a major supplier to OddBox, it helps us achieve this goal.



## Streamlined Energy & Carbon Reporting

GHG emissions and energy use data for period 25th April 2020 to 30th April 2021.

<i>Location Based Emissions</i>	<i>Units</i>	<i>Current Reporting Period (2020/21) Location Based</i>	<i>Comparison Reporting Period (2019/20) Location Based</i>
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1)	tCO2e	1,642	2,062
Emissions from purchased electricity, heat, steam and cooling purchased for own use (Scope 2)	tCO2e	3,446	4,393
Total Gross emissions	tCO2e	5,088	6,455
Energy consumption used to calculate above emissions	kWh	20,615,045	24,246,514
Intensity Measurement	Turnover (£m)	324.5	382.6
Intensity Ratio	tCO2e/ £m Turnover	15.7	16.7
Total Gas Usage	kWh	985,313	851,348
Total Electricity Usage	kWh	13,558,444	15,625,140
Total Transport Usage	kWh	6,071,288	7,770,025

Fresca Group have selected an electricity contract sourced from 100% renewable energy. The effect of Fresca Group procuring energy from this source reduces our intensity ratio by 67% - dropping from 15.7 to 5.2

## Quantification & reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol – Corporate Standard. We have also used the 2020 UK Government's Conversion Factors for Company Reporting. We have used an operational approach to define our boundary and scopes.

SECR covers UK entities only and this is reflected in the SECR statement herein.

This energy and emissions data includes subsidiaries wholly owned by Fresca Group Ltd. Data for joint ventures has not been included as Fresca Group Ltd do not have control of the energy consumption at these sites.

The primary source for gas and electricity energy consumption is supplier invoices. Where invoices are not in line with the financial year, a pro rata calculation has been used to estimate the usage, which falls within the reporting period. Where supplies are not directly billed, the consumption data was provided by the landlord.

Transport usage was primarily calculated from litres used or from mileage. The source of the remainder was calculated using expense claims, on pence per mileage claims or an estimated p/ltr for refuelling claims. Where the vehicle fuel type was undefined, the mileage was split assuming 70% diesel and 30% petrol. The 2019/20 transport have been updated due to an error made in the categorisation of vehicles used that year.

## Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per £M turnover.

## Measures taken to improve energy efficiency

Following the ESOS audit in November 2019 we have implemented or taken action on a number of activities.

At The Fresh Produce Centre, we have optimised space and reduced consumption by decommissioning some of our under-utilised buildings. We have also taken steps to improve our heating and water systems.

We have upgraded our freezer facilities at our Southampton site, which will yield energy efficiencies.

We have implemented further energy saving projects at both The Fresh Produce Centre and Primafruit.

We have signed off the installation of Solar PV projects to be installed on DGM Growers and Primafruit roof spaces. This has been slightly delayed by Covid-19, but will be installed later in 2021.

We are in the survey stages of Solar PV viability for The Fresh Produce Centre.

When all of the projects above are completed, we anticipate a reduction in excess of 33% of all electricity consumed for the group.

We can proudly state that all electrical energy for Fresca Group is purchased from renewable sources.

# Information on exposure to price risk, credit risk, liquidity risk and cash flow risk

## **Price risk**

Prices of fresh produce are subject to the vagaries of both demand and supply, both of which are often weather related. The group expects group entities to manage this risk sensibly, securing long term fixed price contracts when appropriate or by trading in the open market. Circumstances vary across group entities and multiple seasonal changeovers. The group recognises and understands this and as such there is no central policy, but rather bespoke policies across each group entity.

## **Credit risk**

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk across the group is largely attributable to trade receivables and in turn predominantly to large UK retailers for whom the risk of material default is low. The group also serves, largely through our Wholesale business, higher credit risk customers. These higher risk customers fall under a robust credit control procedure and are further secured by appropriate credit insurance and related process which defines the credit limit and payment terms agreed and effectively mitigates the underlying credit risk.

Trade receivables are reviewed by each group entity on a weekly basis and at board level at least quarterly. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted. A significant amount of cash is held with HSBC UK Bank Plc as our primary UK bank.

## **Liquidity risk**

Liquidity risk arises from the group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due.

The group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its long-term borrowings; this is discussed in the 'interest rate risk' section below.

## **Cash flow risk**

Our treasury function monitors cash flow as part of their day to day control procedures. The board considers the group's cash flow monthly, ensuring that appropriate facilities are in place to support activities. Operations are financed by a mixture of retained profits, overdraft and longer term loans with invoice finance facilities available.

# Financial risk management objectives and policies

Market risk arises from the group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

## **Interest rate risk**

The group is exposed to cash flow interest rate risk from long term borrowings at variable rate. It is currently group policy to match finance and asset terms. To this end the group has secured a fixed term loan and invoice finance and hire purchase facilities. This policy and the related borrowings are managed centrally. Normally the group raises long term borrowings at floating rates and then swaps them into fixed to ensure interest rate risk is locked in and understood.

Although the board accepts that this policy neither protects the group entirely from the risk of paying rates greater than current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

## **Currency risk**

Foreign exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The group is predominantly exposed to currency risk on purchases made in euros, US dollars and South African rand. Group policy requires that group entities take appropriate forward cover across unmatched liability or asset positions using a limited range of forward hedge instruments to lock in costs and related profits. Where foreign currency hedging is managed by customers, group entities will work with the customer to meet their hedging policy, subject to the foreign exchange risk remaining with the customer up to the point of securing forward cover.



## Research and development activities

Research and development spend across the group is directed primarily at future-proofing our supply chain, investing in new technologies for more efficient production and adding value to our functions.

## Post balance sheet events

There have been no post balance sheet events.

## Directors' responsibilities statement

The directors are responsible for preparing the group Strategic Report, the Directors' Report and the Consolidated 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies for the group's financial statements 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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 and disclose with reasonable accuracy at any time the financial position of the Company and the group 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.

## Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

## Auditor

A resolution to re-appoint BDO LLP for the forthcoming period will be proposed at the next Annual General Meeting.

***This report was approved by the board on 8 September 2021 and signed on its behalf.***

***J Cox, Chief Financial Officer***

# Independent auditor's report

Period from 25 April 2020 to 30 April 2021

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2021 and of the Group's profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Fresca Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 30 April 2021 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## 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 Group's and Parent 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.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

## Other Companies Act 2006 reporting

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.

In the light of the knowledge and understanding of the Group and Parent 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 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.

## Responsibilities of Directors

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.



# Independent auditor's report cont.

Period from 25 April 2020 to 30 April 2021

## Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding of the Group and the sector in which it operates, we considered those laws and regulations that have a direct impact on the financial statements, such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The group engagement team shared this risk assessment with the auditors of significant components so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, corroborating responses with information gained from other aspects of the audit;
- Evaluation of controls designed to prevent and detect irregularities;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the estimated profitability of part completed stock consignments; and
- Identifying and testing journal entries, in particular any journal entries posted directly to revenue, journals posted by directors and manual journals posted between balance sheet and income statement.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*David I'Anson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Southampton  
United Kingdom*

*Date: 8 September 2021*

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

**FRESCA GROUP LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 APRIL 2021**

	Note	Period 30 April 2021 £000	Period 24 April 2020 £000
<b>Turnover</b>			
Group and share of joint ventures' turnover		413,822	454,096
Less: share of joint ventures' turnover		(89,366)	(71,506)
<b>Group turnover</b>	4	<u>324,456</u>	<u>382,590</u>
Cost of sales		(308,723)	(364,037)
<b>Gross profit</b>		<u>15,733</u>	<u>18,553</u>
Operating expenses		(13,064)	(15,482)
Exceptional operating expenses	5	(733)	(2,012)
<b>Operating profit</b>	6	<u>1,936</u>	<u>1,059</u>
Share of profits/(losses) for year of joint ventures		2,447	(306)
Share of profits/(losses) for year of associates		399	(193)
Interest receivable and similar income	11	46	50
Interest payable and similar expenses	12	(457)	(639)
<b>Profit/(loss) before tax</b>		<u>4,371</u>	<u>(29)</u>
Tax on profit/(loss)	13	(1,105)	(718)
<b>Profit/(loss) for the financial period</b>		<u>3,266</u>	<u>(747)</u>
<b>Profit/(loss) for the period attributable to:</b>			
Non-controlling interests		(12)	9
Owners of the parent company		3,278	(756)
		<u>3,266</u>	<u>(747)</u>

The notes on pages 38 to 73 form part of these financial statements.



**FRESCA GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 APRIL 2021**

	<b>Period 30 April 2021 £000</b>	<b>Period 24 April 2020 £000</b>
Profit/(loss) for the financial period	<b>3,266</b>	<b>(747)</b>
<b>Other comprehensive income</b>		
Currency translation differences	<b>1</b>	<b>(6)</b>
Movement on cash flow hedge	<b>(109)</b>	<b>63</b>
Disposal of subsidiary	<b>(122)</b>	<b>-</b>
<b>Other comprehensive (loss)/income for the period</b>	<b>(230)</b>	<b>57</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>3,036</b>	<b>(690)</b>
<b>Total comprehensive income/(loss) attributable to:</b>		
Non-controlling interest	<b>(134)</b>	<b>9</b>
Owners of the parent company	<b>3,170</b>	<b>(699)</b>
	<b>3,036</b>	<b>(690)</b>

The notes on pages 38 to 73 form part of these financial statements.

**FRESCA GROUP LIMITED**  
**REGISTERED NUMBER: 05307204**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 APRIL 2021**

	Note	30 April 2021 £000	24 April 2020 £000
<b>Fixed assets</b>			
Intangible assets	15	1,263	2,152
Tangible assets	16	47,277	46,929
Investments	17	11,273	9,469
		<hr/> 59,813	<hr/> 58,550
<b>Current assets</b>			
Stocks	18	9,763	11,301
Debtors: amounts falling due after more than one year	19	827	531
Debtors: amounts falling due within one year	19	37,926	47,237
Cash at bank and in hand	20	13,112	9,619
		<hr/> 61,628	<hr/> 68,688
Creditors: amounts falling due within one year	21	(46,480)	(55,062)
<b>Net current assets</b>		<hr/> 15,148	<hr/> 13,626
<b>Total assets less current liabilities</b>		<hr/> 74,961	<hr/> 72,176
Creditors: amounts falling due after more than one year	22	(9,654)	(10,060)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(1,917)	(1,650)
<b>Net assets</b>		<hr/> <hr/> 63,390	<hr/> <hr/> 60,466

**FRESCA GROUP LIMITED**  
**REGISTERED NUMBER: 05307204**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 30 APRIL 2021**

		30 April 2021 £000	26 April 2020 £000
	Note		
<b>Capital and reserves</b>			
Called up share capital	26	1,253	1,253
Revaluation reserve	29	69	69
Merger reserve	29	2,618	2,618
Foreign exchange reserve	29	2	1
Profit and loss account	29	82,594	80,056
Share based payment reserve	29	3,855	3,120
Hedge reserve	29	(44)	65
ESOP shares	29	(26,957)	(26,850)
<b>Equity attributable to owners of the parent company</b>		<b>63,390</b>	<b>60,332</b>
Non-controlling interests		-	134
		<b>63,390</b>	<b>60,466</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2021.

**C P Mack (Chairman)**  
Director

**J Cox**  
Director

The notes on pages 38 to 73 form part of these financial statements.

**FRESCA GROUP LIMITED**  
**REGISTERED NUMBER: 05307204**

**COMPANY BALANCE SHEET**  
**AS AT 30 APRIL 2021**

	Note	30 April 2021 £000	24 April 2020 £000
<b>Fixed assets</b>			
Intangible assets	15	1,070	1,900
Tangible assets	16	1,573	867
Investments	17	14,661	14,511
		<hr/> 17,304	<hr/> 17,278
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	19	827	531
Debtors: amounts falling due within one year	19	19,220	17,342
Cash at bank and in hand	20	3,423	4,679
		<hr/> 23,470	<hr/> 22,552
Creditors: amounts falling due within one year	21	(9,752)	(10,069)
		<hr/> 13,718	<hr/> 12,483
<b>Net current assets</b>		<hr/> 13,718	<hr/> 12,483
<b>Total assets less current liabilities</b>		<hr/> 31,022	<hr/> 29,761
Creditors: amounts falling due after more than one year	22	(581)	-
<b>Provisions for liabilities</b>			
Deferred taxation	25	(31)	(102)
<b>Net assets</b>		<hr/> <hr/> 30,410	<hr/> <hr/> 29,659



**FRESCA GROUP LIMITED**  
**REGISTERED NUMBER: 05307204**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 30 APRIL 2021**

	Note	30 April 2021 £000	24 April 2020 £000
<b>Capital and reserves</b>			
Called up share capital	26	<b>1,253</b>	1,253
ESOP shares	29	<b>(26,957)</b>	(26,850)
Share based payment reserve	29	<b>3,855</b>	3,120
Profit and loss account	29	<b>52,259</b>	52,136
		<hr/> <b>30,410</b> <hr/>	<hr/> 29,659 <hr/>

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

The profit recorded in the accounts of Fresca Group Limited for the period ended 30 April 2021 is £863,000 (2020: profit of £425,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2021.

**C P Mack (Chairman)**  
Director

**J Cox**  
Director

The notes on pages 38 to 73 form part of these financial statements.

**FRESCA GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 APRIL 2021**

	Called up share capital £000	ESOP share reserve £000	Revaluation reserve £000	Hedge reserve £000	Foreign exchange reserve £000	Share based payment reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable and to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 25 April 2020	1,253	(26,850)	69	65	1	3,120	2,618	80,056	60,332	134	60,466
<b>Comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	3,278	3,278	(12)	3,266
Movement in other reserves	-	-	-	(109)	1	-	-	-	(108)	-	(108)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	(122)	(122)
<b>Other comprehensive income for the period</b>	-	-	-	(109)	1	-	-	-	(108)	(122)	(230)
<b>Total comprehensive income for the period</b>	-	-	-	(109)	1	-	-	3,278	3,170	(134)	3,036
Dividends	-	-	-	-	-	-	-	(740)	(740)	-	(740)
Purchase of shares by ESOP	-	(107)	-	-	-	-	-	-	(107)	-	(107)
Share based payment credit	-	-	-	-	-	735	-	-	735	-	735
<b>Total transactions with owners</b>	-	(107)	-	-	-	735	-	(740)	(112)	-	(112)
<b>At 30 April 2021</b>	<b>1,253</b>	<b>(26,957)</b>	<b>69</b>	<b>(44)</b>	<b>2</b>	<b>3,855</b>	<b>2,618</b>	<b>82,594</b>	<b>63,390</b>	<b>-</b>	<b>63,390</b>

The notes on pages 38 to 73 form part of these financial statements.

**FRESCA GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 24 APRIL 2020**

	Called up share capital £000	ESOP share reserve £000	Revaluation reserve £000	Hedge reserve £000	Foreign exchange reserve £000	Share based payment reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 27 April 2019	1,253	(26,714)	69	2	7	2,718	2,618	81,325	61,278	125	61,403
<b>Comprehensive income for the period</b>											
Loss for the period	-	-	-	-	-	-	-	(756)	(756)	9	(747)
Movement in cash flow hedges	-	-	-	63	(6)	-	-	-	57	-	57
<b>Other comprehensive income for the period</b>											
	-	-	-	63	(6)	-	-	-	57	-	57
<b>Total comprehensive income for the period</b>											
	-	-	-	63	(6)	-	-	(756)	(699)	9	(690)
Dividends	-	-	-	-	-	-	-	(513)	(513)	-	(513)
Purchase of shares by ESOP	-	(136)	-	-	-	-	-	-	(136)	-	(136)
Share based payment credit	-	-	-	-	-	402	-	-	402	-	402
<b>Total transactions with owners</b>											
	-	(136)	-	-	-	402	-	(513)	(247)	-	(247)
<b>At 24 April 2020</b>	<b>1,253</b>	<b>(26,850)</b>	<b>69</b>	<b>65</b>	<b>1</b>	<b>3,120</b>	<b>2,618</b>	<b>80,056</b>	<b>60,332</b>	<b>134</b>	<b>60,466</b>

The notes on pages 38 to 73 form part of these financial statements.

**FRESCA GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 APRIL 2021**

	<b>Called up share capital £000</b>	<b>ESOP share reserve £000</b>	<b>Share based payment reserve £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
At 25 April 2020	1,253	(26,850)	3,120	52,136	29,659
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	863	863
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>					
Dividends	-	-	-	(740)	(740)
Purchase of shares by ESOP	-	(107)	-	-	(107)
Share based payment credit	-	-	735	-	735
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	(107)	735	(740)	(112)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 April 2021</b>	<b>1,253</b>	<b>(26,957)</b>	<b>3,855</b>	<b>52,259</b>	<b>30,410</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 38 to 73 form part of these financial statements.



**FRESCA GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 24 APRIL 2020**

	Called up share capital £000	ESOP share reserve £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
At 27 April 2019	1,253	(26,714)	2,718	52,224	29,481
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	425	425
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>					
Dividends	-	-	-	(513)	(513)
Purchase of shares by ESOP	-	(136)	-	-	(136)
Share based payment credit	-	-	402	-	402
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	(136)	402	(513)	(247)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 24 April 2020</b>	<b>1,253</b>	<b>(26,850)</b>	<b>3,120</b>	<b>52,136</b>	<b>29,659</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 38 to 73 form part of these financial statements.

**FRESCA GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 APRIL 2021**

	<b>30 April 2021 £000</b>	24 April 2020 £000
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial period	<b>3,266</b>	(747)
<b>Adjustments for:</b>		
Amortisation and impairment of intangible assets	<b>889</b>	1,397
Depreciation of tangible assets	<b>2,853</b>	2,361
(Profit)/loss on disposal of tangible assets	<b>(9)</b>	130
Loss on disposal of business	<b>573</b>	-
Net interest payable	<b>230</b>	237
Interest receivable	<b>(46)</b>	(50)
Taxation charge	<b>1,105</b>	718
Decrease in stocks	<b>1,538</b>	1,290
Decrease/(increase) in debtors	<b>8,851</b>	(3,748)
(Decrease)/increase in creditors	<b>(6,497)</b>	6,765
Share of operating (profit)/loss in associates and joint ventures	<b>(2,846)</b>	499
Corporation Tax paid	<b>(660)</b>	(1,180)
Shared based payment charges	<b>735</b>	402
<b>Net cash generated from operating activities</b>	<b>9,982</b>	8,074
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	-	(8)
Purchase of tangible fixed assets	<b>(2,525)</b>	(6,013)
Sale of tangible fixed assets	<b>28</b>	48
Purchase of trade investments	<b>(195)</b>	-
Sale of fixed asset investments	<b>628</b>	-
Purchase of shares in joint ventures	<b>(527)</b>	(136)
Interest received	<b>33</b>	46
Dividends received from joint ventures	<b>234</b>	900
<b>Net cash from investing activities</b>	<b>(2,324)</b>	(5,163)

**FRESCA GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE PERIOD ENDED 30 APRIL 2021**

	<b>30 April 2021 £000</b>	24 April 2020 £000
<b>Cash flows from financing activities</b>		
Purchase of own shares by ESOP	(107)	(136)
New bank loans	10,000	4,900
Repayment of bank loans	(12,718)	(5,340)
Repayment of finance leases	(600)	(706)
Dividends paid	(740)	(513)
<b>Net cash used in financing activities</b>	<b>(4,165)</b>	<b>(1,795)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,493</b>	<b>1,116</b>
Cash and cash equivalents at beginning of period	9,619	8,503
<b>Cash and cash equivalents at the end of period</b>	<b>13,112</b>	<b>9,619</b>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	13,112	9,619
	<b>13,112</b>	<b>9,619</b>

**CONSOLIDATED ANALYSIS OF NET DEBT**  
**FOR THE PERIOD ENDED 30 APRIL 2021**

	<b>At 24 April 2020 £000</b>	<b>Cash flows £000</b>	<b>New finance leases £000</b>	<b>At 30 April 2021 £000</b>
Cash at bank and in hand	9,619	3,493	-	13,112
Debt due after 1 year	(9,595)	928	-	(8,667)
Debt due within 1 year	(2,790)	1,790	-	(1,000)
Finance leases	(961)	600	(1,161)	(1,522)
	<b>(3,727)</b>	<b>6,811</b>	<b>(1,161)</b>	<b>1,923</b>

The notes on pages 38 to 73 form part of these financial statements.

## **FRESCA GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021**

#### **1. General information**

Fresca Group Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office and its registered number are shown on the Company Information page. The nature of the Group's operations and its principal activities are outlined in the Directors' Report.

#### **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 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 accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The financial statements have been prepared on the going concern basis. In adopting the going concern basis, the directors have considered the business activities of the Group and the principal risks and uncertainties as set out in the Strategic Report, and in particular the impact of COVID-19 and Brexit. The Group continued to trade profitably through the pandemic and the Brexit transition period, principally as a result of its preparedness to cope with additional complexity and its customers being UK based food retailers who remained open during the lockdown period. The Group successfully sourced, stored, packaged and transported product from suppliers to customers through existing logistics partners and established a safe working environment to enable staff to continue working. Having successfully traded through the pandemic and Brexit transition and without any indication that its principal customers should not also continue to trade successfully, the directors believe the Group will continue to perform to expectations as the economy recovers from the pandemic. However, as a precaution, they have prepared cash flow forecasts out to April 2023 under a range of scenarios which show that the Group can continue to trade within existing financing facilities.

The directors believe the Group is well placed to manage its financing and other significant risks satisfactorily and will be able to operate within the scope of its existing facilities for the foreseeable future. For this reason, the directors consider it appropriate for the Group and Company to adopt the going concern principle in preparing its financial statements.



## FRESCA GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

#### 2. Accounting policies (continued)

##### 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiary undertakings.

The financial statements of the subsidiary undertakings included within the consolidated figures are adjusted, where appropriate, to conform to Group accounting policies. Where reporting dates differ the latest available management information is used.

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over a period representing the useful life from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

##### 2.4 Associates and joint ventures

###### *Associates*

An entity is treated as an associated undertaking where the Group has a participating interest and exercises significant influence over its operating and financial policy decisions. In the consolidated financial statements, interests in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the Group's share of the consolidated operating results, interest, pre-tax results and attributable taxation as shown in the Group's share of the identifiable consolidated net assets, including any unamortised premium paid on acquisition. Any premium on acquisition is dealt with in accordance with the goodwill policy below.

###### *Joint ventures*

An entity is treated as a joint venture where the Group holds a long term interest and shares control under a contractual agreement. In the consolidated financial statements, interests in joint ventures are accounted for using the gross equity method of accounting. The consolidated profit and loss account includes the Group's share of the joint venture's turnover and includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the Group's share of the identifiable gross assets (including any unamortised premium paid on acquisition) and its share of the gross liabilities attributable to its joint ventures are shown separately. Where a joint venture company has net liabilities rather than net assets, the Group's share of the net liabilities is reflected within provisions for liabilities and charges in the consolidated balance sheet. Any premium on acquisition is dealt with in accordance with the goodwill policy below.

##### 2.5 Revenue recognition

Turnover represents the total amount receivable for all goods and services rendered by the Group, including goods sold on a commission basis and through third parties. Revenue is recognised when goods are despatched or delivered to customers, depending on the terms of trade. Sales of services are recognised when rendered to customers. Turnover is stated net of VAT and trade discounts.

##### 2.6 Cost of sales

Cost of sales includes the cost of goods purchased plus the cost of acquiring and distributing the goods to customers.

## **FRESCA GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021**

#### **2. Accounting policies (continued)**

##### **2.7 Interest income**

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

##### **2.8 Finance costs**

Finance costs are charged to the consolidated profit and loss account 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.

##### **2.9 Exceptional items**

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

##### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.11 Intangible assets**

###### **Goodwill**

Positive and negative purchased goodwill arising on acquisitions are capitalised, classified as assets on the balance sheet and amortised over their estimated useful life. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation - Immediate to 20 years

###### **Other 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.

##### **2.12 Tangible fixed assets**

All fixed assets are initially recorded at cost.

## FRESCA GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

#### 2. Accounting policies (continued)

##### 2.12 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	- 50 years
Long-term leasehold property	- 50 years
Short-term leasehold property	- over the remaining period of the lease
Plant and machinery	- between 4 and 15 years
Motor vehicles	- 4 years
Fixtures and fittings	- between 4 and 8 years

The Group's freehold and leasehold properties were revalued in 1993, on the basis set out in note 16. On transition to FRS102 this valuation was deemed cost of these assets.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that they may not be recoverable.

##### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.14 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is defined as the supplier's invoiced price, together with freight and duty costs if applicable. Net realisable value is defined as the estimated selling prices less further costs expected to be incurred to disposal.

##### 2.15 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.

##### 2.16 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.17 Financial instruments

###### (i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

**(iii) Hedge accounting**

The Group (including its joint venture investments) applies hedge accounting for those transactions entered into in respect of forward foreign exchange contracts where a hedging instrument is taken out in order to manage the cash flow exposures of future known transactions for the purchase of stock denominated in foreign currency. Forward foreign exchange contracts are held to manage the currency fluctuation exposures from the date the stock is contracted to be bought to the date that the stock is paid for and are designated as cash flow hedges. Changes in the fair value of derivatives designated as cash flow hedges and which are effective are recognised directly in equity. The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedge instrument expires, no longer meets the hedging criteria or the hedge is terminated.

Those forward foreign exchange contracts entered into to manage exposure to currency fluctuations deemed not to be effective hedges are measured at fair value at each reporting date with any change in fair value being recognised in profit or loss.

**2.18 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**2. Accounting policies (continued)**

**2.19 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**2.20 Dividend income received by the ESOP**

Dividends received by the ESOP are accounted for on a cash basis and have been netted off against dividend expense.

**2.21 ESOP shares**

The cost of the company's shares held by the ESOP is deducted from shareholders' funds and any income received by the ESOP on disposal of shares is credited to shareholders' funds in the company and group balance sheets. Other assets and liabilities of the ESOP (including borrowings) are recognised as assets and liabilities of the company.



## **FRESCA GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021**

#### **2. Accounting policies (continued)**

##### **2.22 Foreign currency translation**

###### **(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is the company's functional and the Group's presentation currency.

###### **(ii) Transactions and balances**

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

##### **2.23 Share based payments**

When shares and share options are awarded to employees a charge is made to the profit and loss account based upon the fair value of options granted. The fair value is measured at the date of grant and spread over the years during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option pricing model. The amount recognised as an expense in any period is adjusted to reflect the actual number of share options that vest or are expected to vest. The credit entry for the charge is taken to the profit and loss reserve and reported in the reconciliation of movements in shareholders' funds.

Fresca Group Limited has accounted for the cost of issuing options to employees of its subsidiaries. This results in an increase in the investment in a subsidiary when such options are issued, with the credit entry being taken to a non-distributable equity reserve.

##### **2.24 Operating leases: the Group as lessee**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### **2.25 Leased assets: the Group as lessee**

Assets held under finance lease and hire purchase contracts are capitalised and depreciated on a straight line basis over the shorter of the lease term and the estimated useful economic life. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

##### **2.26 Pensions - Defined contribution scheme**

Contributions to the Group's defined contribution scheme are charged to the profit and loss account when they become payable.

## FRESCA GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determined whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determined whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determined whether the Employee Share Ownership Plan (ESOP) should be considered to be under the control or de facto control of the parent company. The judgement that the parent company does exert de facto control has resulted in the ESOP's assets and liabilities being recognised on the parent company and consolidated balance sheets.

Other key sources of estimation uncertainty:

- Consignment provisions

Provision is made for expected costs on consignments. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment property fair values are determined using independent valuations and market evidence for similar properties in the local area.

- Investments

Estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 4. Turnover

Analysis of turnover by country of destination:

	Period 30 April 2021 £000	Period 24 April 2020 £000
United Kingdom	322,869	379,317
Rest of Europe	196	981
Rest of the World	1,391	2,292
	<b>324,456</b>	<b>382,590</b>

Turnover is all in respect of the Group's principal activities of sourcing, marketing, packaging and selling fresh fruit and vegetables.

### 5. Exceptional operating expenses

	Period 30 April 2021 £000	Period 24 April 2020 £000
Redundancy costs	7	1,086
Software impairment	-	500
Stock impairment	153	-
Loss on investment disposal	573	-
Dilapidation provisions	-	426
	<b>733</b>	<b>2,012</b>

### 6. Operating profit

Operating profit is stated after charging/(crediting):

	Period 30 April 2021 £000	Period 24 April 2020 £000
Amortisation of intangible assets, including goodwill	889	897
Impairment of intangible assets, including goodwill	-	500
Depreciation of tangible fixed assets - owned	2,744	1,993
Depreciation of tangible fixed assets - hire purchased	109	368
(Profit)/loss on disposal of fixed assets	(9)	130
Impairment of investments	334	334
Exchange differences	(772)	(1,113)
Other operating lease rentals	1,765	1,732

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**7. Auditor's remuneration**

	<b>Period 30 April 2021 £000</b>	Period 24 April 2020 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	<b>10</b>	8
Fees payable to the company's auditor for the audit of the company's subsidiaries	<b>129</b>	116
<b>Total audit fees</b>	<b>139</b>	124
<b>Fees payable to the Group's auditor in respect of:</b>		
Taxation compliance services	<b>88</b>	40
Other services relating to taxation	-	15
Services relating to corporate finance transactions	<b>28</b>	-
All other services	<b>4</b>	1
	<b>120</b>	56

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**8. Employees**

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

	<b>Group Period 30 April 2021 £000</b>	<b>Group Period 24 April 2020 £000</b>	<b>Company Period 30 April 2021 £000</b>	<b>Company Period 24 April 2020 £000</b>
Wages and salaries	<b>33,450</b>	32,459	<b>4,630</b>	3,857
Social security costs	<b>2,779</b>	3,154	<b>246</b>	441
Share based payment	<b>735</b>	402	<b>460</b>	196
Cost of defined contribution scheme	<b>1,603</b>	1,610	<b>308</b>	244
	<b>38,567</b>	37,625	<b>5,644</b>	4,738

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

	<b>Group Period 30 April 2021 No.</b>	<b>Group Period 24 April 2020 No.</b>	<b>Company Period 30 April 2021 No.</b>	<b>Company Period 24 April 2020 No.</b>
Distribution	<b>819</b>	810	-	-
Administrative	<b>148</b>	161	51	47
	<b>967</b>	971	51	47



# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 9. Directors' remuneration

	<b>Period 30 April 2021 £000</b>	<b>Period 24 April 2020 £000</b>
Directors' emoluments	<b>1,937</b>	1,399
Company contributions to defined contribution pension schemes	<b>54</b>	9
Amounts paid to third parties in respect of directors' services	<b>29</b>	29
	<b>2,020</b>	1,437

During the period retirement benefits were accruing to two directors (2020 - three) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £693,000 (2020 - £646,000).

The company did not contribute to a defined contribution pension scheme for the highest paid director in either period.

No director exercised share options in either period.

### 10. Key management compensation

	<b>Period 30 April 2021 £000</b>	<b>Period 24 April 2020 £000</b>
Salaries and other short term benefits	<b>7,108</b>	6,868
Company contributions to defined contribution pension scheme	<b>598</b>	541
Share based payments	<b>735</b>	402
	<b>8,441</b>	7,811

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**11. Interest receivable**

	<b>Period 30 April 2021 £000</b>	Period 24 April 2020 £000
Share of joint ventures' interest receivable	<b>3</b>	3
Share of associates' interest receivable	<b>10</b>	1
Other interest receivable	<b>33</b>	46
	<hr/> <b>46</b> <hr/>	<hr/> 50 <hr/>

**12. Interest payable and similar expenses**

	<b>Period 30 April 2021 £000</b>	Period 24 April 2020 £000
Bank interest payable	<b>196</b>	358
Finance leases and hire purchase contracts	<b>31</b>	44
Share of joint ventures' interest payable	<b>67</b>	60
Share of associates' interest payable	<b>163</b>	177
	<hr/> <b>457</b> <hr/>	<hr/> 639 <hr/>

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**13. Taxation**

	<b>Period 30 April 2021 £000</b>	Period 24 April 2020 £000
<b>Corporation tax</b>		
Current tax on profits for the year	<b>182</b>	418
Adjustments in respect of previous periods	<b>(178)</b>	(267)
	<u><b>4</b></u>	<u>151</u>
Foreign tax	<b>233</b>	141
Tax in respect of ESOP	<b>237</b>	212
<b>Total current tax</b>	<u><b>474</b></u>	<u>504</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>183</b>	(101)
Adjustments in respect of previous periods	<b>84</b>	55
Effect of rate change on opening liability	<b>-</b>	184
<b>Total deferred tax</b>	<u><b>267</b></u>	<u>138</u>
<b>Other tax</b>		
Joint venture taxation	<b>386</b>	146
Associate taxation	<b>(22)</b>	(70)
<b>Taxation on profit on ordinary activities</b>	<u><b>1,105</b></u>	<u>718</u>

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 13. Taxation (continued)

#### Factors affecting tax charge for the period

The tax assessed for the period is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Period 30 April 2021 £000	Period 24 April 2020 £000
Profit/(loss) on ordinary activities before tax	3,231	(29)
Share of joint ventures' (profit)/loss before taxation	(2,383)	365
Share of associates' (profit)/loss before taxation	(246)	368
	<u>602</u>	<u>704</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	115	134
<b>Effects of:</b>		
Expenses not deductible for tax purposes	247	184
Non taxable group income	(74)	(8)
Adjustments to tax charge in respect of prior periods	(178)	(267)
Adjustments to deferred tax charge in respect of previous periods	84	55
Tax movement arising from exercise of employee options	102	67
Different tax rate on deferred tax	-	175
Effects of different tax rates of subsidiaries operating in other jurisdictions	6	1
Foreign tax credits	131	142
Deferred tax rate changes	-	9
Deferred tax not recognised	(34)	-
Additional rate of income tax in respect of ESOP	142	150
Fixed asset differences	143	-
Writte off of prior year withholding tax	57	-
Share of joint ventures' tax charge	386	146
Share of associates' tax charge	(22)	(70)
<b>Total tax charge for the period</b>	<u>1,105</u>	<u>718</u>

## FRESCA GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

#### 13. Taxation (continued)

##### Factors that may affect future tax charges

The Finance Bill 2021 was substantively enacted on 24 May 2021 and the main rate of corporation tax was maintained at 19% until 1 April 2023, when the rate will increase to 25%. Deferred tax balances have been recognised at 19%.

#### 14. Dividends

The following dividends have been paid in respect of the year

	<b>Period 30 April 2021 £000</b>	Period 24 April 2020 £000
Final dividend in respect of previous year 1.10p (2020: 1.36p) on 62,630,720 2p ordinary shares	<b>689</b>	852
Interim dividend in respect of current year 0.88p (2020: Nil) on 62,630,720 2p ordinary shares	<b>551</b>	-
Dividend income received by ESOP	<b>(500)</b>	(339)
	<b>740</b>	513

A final dividend of 1.1p per share is proposed (2020: 1.1p per share). This is not included in the above figures in accordance with Financial Reporting Standard 102.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

15. Intangible assets

Group

	Varietal rights £000	Computer software £000	Goodwill £000	Total £000
<b>Cost</b>				
At 25 April 2020	155	4,747	5,905	10,807
At 30 April 2021	155	4,747	5,905	10,807
<b>Amortisation</b>				
At 25 April 2020	80	2,793	5,782	8,655
Charge for the period on owned assets	35	830	24	889
At 30 April 2021	115	3,623	5,806	9,544
<b>Net book value</b>				
At 30 April 2021	40	1,124	99	1,263
At 24 April 2020	75	1,954	123	2,152



FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

15. Intangible assets (continued)

Company

	Computer software £000
<b>Cost</b>	
At 25 April 2020	4,697
At 30 April 2021	<u>4,697</u>
<b>Amortisation</b>	
At 25 April 2020	2,797
Charge for the year	830
At 30 April 2021	<u>3,627</u>
<b>Net book value</b>	
At 30 April 2021	<u><u>1,070</u></u>
At 24 April 2020	<u><u>1,900</u></u>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

16. Tangible fixed assets

Group

	Land & buildings £000	Assets in course of construction £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
<b>Cost or valuation</b>						
At 25 April 2020	49,196	-	23,915	632	10,528	84,271
Additions	326	845	738	227	1,550	3,686
Disposals	(37)	-	(367)	(68)	(126)	(598)
Disposal of subsidiary	(533)	-	-	-	-	(533)
At 30 April 2021	48,952	845	24,286	791	11,952	86,826
<b>Depreciation</b>						
At 25 April 2020	9,855	-	18,730	413	8,344	37,342
Charge for the period on owned assets	1,034	-	1,017	82	611	2,744
Charge for the period on financed assets	-	-	102	-	7	109
Disposals	(37)	-	(352)	(68)	(122)	(579)
Disposal of subsidiary	(67)	-	-	-	-	(67)
At 30 April 2021	10,785	-	19,497	427	8,840	39,549
<b>Net book value</b>						
At 30 April 2021	38,167	845	4,789	364	3,112	47,277
At 24 April 2020	39,341	-	5,185	219	2,184	46,929

The net book value of fixed assets of £47.3 million (2020: £46.9 million) includes an amount of £1.5 million (2020: £1.7 million) in respect of assets held under hire purchase contracts. All assets form part of the security to HSBC UK Bank Plc for Group borrowings.

Included in land and buildings is freehold land classified as an investment property of £0.4m (2020: £0.4m) the fair value has been reviewed based on evidence for similar land sold in the local area.

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**16. Tangible fixed assets (continued)**

**Land and buildings**

The land & buildings owned by M.&W. Mack Limited were revalued, on an open market existing use basis, as at 30 April 1993, by Edward Symmons & Partners, consultant surveyors and valuers.

The net book value of land and buildings comprises

	<b>30 April 2021 £000</b>	24 April 2020 £000
Freehold land	<b>3,719</b>	3,719
Freehold buildings	<b>31,909</b>	33,742
Long leasehold properties (over 50 years)	<b>2,181</b>	1,484
Short leasehold properties	<b>358</b>	396
	<hr/> <b>38,167</b> <hr/>	<hr/> 39,341 <hr/>

In respect of certain fixed assets stated at valuation, the comparable historical cost and depreciation values are as follows:

	<b>30 April 2021 £000</b>	24 April 2020 £000
Net book value at end of year	<b>38,163</b>	39,337
	<hr/>	<hr/>
Historical cost	<b>47,006</b>	46,680
Depreciation	<b>(9,375)</b>	(9,077)
	<hr/>	<hr/>
<b>Historical cost net book value at end of year</b>	<b>37,631</b> <hr/>	37,603 <hr/>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

16. Tangible fixed assets (continued)

Company

	Fixtures and fittings £000	Computer equipment £000	Assets in course of construction £000	Total £000
<b>Cost or valuation</b>				
At 25 April 2020	125	4,446	-	4,571
Additions	1	168	845	1,014
Disposals	-	(124)	-	(124)
At 30 April 2021	126	4,490	845	5,461
<b>Depreciation</b>				
At 25 April 2020	114	3,590	-	3,704
Charge for the period on owned assets	5	301	-	306
Disposals	-	(122)	-	(122)
At 30 April 2021	119	3,769	-	3,888
<b>Net book value</b>				
At 30 April 2021	7	721	845	1,573
At 24 April 2020	11	856	-	867

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

17. Fixed asset investments

Group

	Investment in joint ventures £000	Investments in associates £000	Trade investments £000	Total £000
<b>Cost or valuation</b>				
At 25 April 2020	12,637	4,354	-	16,991
Additions	527	-	195	722
Disposals	-	(840)	-	(840)
Share of profit/(loss)	1,988	268	-	2,256
At 30 April 2021	15,152	3,782	195	19,129
<b>Impairment</b>				
At 25 April 2020	7,522	-	-	7,522
Charge for the period	334	-	-	334
At 30 April 2021	7,856	-	-	7,856
<b>Net book value</b>				
At 30 April 2021	7,296	3,782	195	11,273
At 24 April 2020	5,115	4,354	-	9,469

Dividends of £234,000 (2020: £900,000) were received from the joint venture companies during the year.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Investment in joint ventures £000	Investments in associates £000	Trade investments £000	Total £000
<b>Cost or valuation</b>					
At 25 April 2020	7,416	6,891	1,004	-	15,311
Additions	277	527	-	195	999
Disposals	(75)	-	(1,004)	-	(1,079)
At 30 April 2021	7,618	7,418	-	195	15,231
<b>Impairment</b>					
At 25 April 2020	570	-	230	-	800
Impairment on disposals	-	-	(230)	-	(230)
At 30 April 2021	570	-	-	-	570
<b>Net book value</b>					
At 30 April 2021	7,048	7,418	-	195	14,661
At 24 April 2020	6,846	6,891	774	-	14,511



# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 17. Fixed asset investments (continued)

#### Direct subsidiary undertakings

The company's directly held subsidiary undertakings are as follows:

Unless otherwise indicated, the undertakings listed below are registered at The Fresh Produce Centre, Transfesa Road, Paddock Wood, Kent, United Kingdom, TN12 6UT.

Name	Principal activity	Class of shares	Holding
Primafruit Limited (1)	Sourcing, marketing, and selling of fresh fruit	Ordinary	100%
Fresca Development Limited	Construction	Ordinary	100%
Fresca Development Property Limited	Property leasing	Ordinary	100%
M.&W. Mack Limited	Sourcing, marketing, packaging and selling of fresh fruit and vegetables	Ordinary	100%
Thanet Earth Investments Limited	Site development	Ordinary	100%
The Fresh Produce Centre Limited	Sourcing, marketing, and selling of fresh fruit	Ordinary	100%
Grape Evolution Limited	Marketing of grape varieties	Ordinary	100%
The Fresca ESOP Limited	Dormant	Ordinary	100%
Fresca Group South Africa (Pty) Limited (4)	Technical and quality assurance services	Ordinary	100%
Banafruit UK Limited	Dormant	Ordinary	100%

#### Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Thanet Growers Seven Limited (2)	Site development	Ordinary	100%
Fresca Spain SL (5)	Technical and quality assurance services	Ordinary	100%
The Avocado Company Limited	Dormant to secure trading name	Ordinary	100%

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 17. Fixed asset investments (continued)

#### Associates and joint ventures

Name	Principal activity	Holding
Manor Fresh Limited (3)	Sourcing, marketing, packaging and selling of potatoes and vegetables	50
Thanet Earth Holdings Limited, Thanet Earth Limited, Thanet Earth Construction Limited, Thanet Earth Estates Limited (2)	Group engaged in procurement, packaging and sale of salad products	50
TG1 Holding Limited, Thanet Growers One Limited, Thanet Growers Three Limited, Thanet Growers Six Limited (2)	Group engaged in growing of vegetables	25
Thanet Energy Limited (2)	Transmission of electricity	29
Custom Plum Company Limited	Group engaged in marketing of fruit	50
Custom Plum Company (Pty) Limited	Group engaged in marketing of fruit	50
Fresquita Farms SAS (6)	Avocado Grower	50
Cartama UK Limited	Sourcing, marketing, and selling of fresh fruit	50

- (1) Vale Business Park, Enterprise Way, Evesham, Worcestershire, WR11 1GT
- (2) The Packhouse, Barrow Man Road, Birchington, Kent, United Kingdom, CT7 0AX
- (3) Manor Farm, Holbeach Hurn, Spalding, Lincolnshire, PE12 8LR
- (4) 90 La Belle Vie, Welgevonden Boulevard, Stellenbosch, 7600, South Africa
- (5) Calle Poeta, Verdaguer 26, Castellon 12002, Spain
- (6) Carrera 33, 7, 29 Ed Blanco of 502 Medellin Colombia

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**18. Stocks**

	<b>Group 30 April 2021 £000</b>	Group 24 April 2020 £000
Raw materials and consumables	<b>9,763</b>	11,301

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**19. Debtors**

	<b>Group 30 April 2021 £000</b>	Group 24 April 2020 £000	<b>Company 30 April 2021 £000</b>	Company 24 April 2020 £000
<b>Due after more than one year</b>				
Other debtors	<b>827</b>	531	<b>827</b>	531
	<b>Group</b>	Group	<b>Company</b>	Company
	<b>30 April</b>	24 April	<b>30 April</b>	24 April
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000
<b>Due within one year</b>				
Trade debtors	<b>30,705</b>	41,412	<b>46</b>	260
Amounts owed by group companies	-	-	<b>15,398</b>	14,574
Amounts owed by joint ventures and associated undertakings	<b>1,483</b>	927	<b>1,318</b>	679
Other debtors	<b>2,537</b>	1,708	<b>65</b>	222
Prepayments and accrued income	<b>2,517</b>	2,406	<b>947</b>	998
Corporation tax	<b>684</b>	784	<b>1,446</b>	609
	<b>37,926</b>	47,237	<b>19,220</b>	17,342

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**20. Cash and cash equivalents**

	<b>Group 30 April 2021 £000</b>	<b>Group 24 April 2020 £000</b>	<b>Company 30 April 2021 £000</b>	<b>Company 24 April 2020 £000</b>
Cash at bank and in hand	<b>13,112</b>	9,619	<b>3,423</b>	4,679
	<b>13,112</b>	9,619	<b>3,423</b>	4,679

**21. Creditors: Amounts falling due within one year**

	<b>Group 30 April 2021 £000</b>	<b>Group 24 April 2020 £000</b>	<b>Company 30 April 2021 £000</b>	<b>Company 24 April 2020 £000</b>
Bank loans	<b>1,000</b>	2,790	-	-
Trade creditors	<b>36,857</b>	40,343	<b>892</b>	1,398
Amounts owed to Group undertakings	-	-	<b>6,918</b>	7,187
Amounts owed to joint ventures and associated undertakings	<b>8</b>	19	-	3
Corporation tax	-	157	<b>109</b>	-
Income tax	-	129	-	129
Other taxation and social security	<b>993</b>	1,233	<b>311</b>	284
Obligations under finance lease and hire purchase contracts	<b>534</b>	496	<b>166</b>	-
Other creditors and accruals	<b>7,088</b>	9,895	<b>1,356</b>	1,068
	<b>46,480</b>	55,062	<b>9,752</b>	10,069

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 22. Creditors: Amounts falling due after more than one year

	<b>Group</b> <b>30 April</b> <b>2021</b> <b>£000</b>	Group 24 April 2020 £000	<b>Company</b> <b>30 April</b> <b>2021</b> <b>£000</b>	Company 24 April 2020 £000
Bank loans	<b>8,667</b>	9,595	-	-
Net obligations under finance leases and hire purchase contracts	<b>987</b>	465	<b>581</b>	-
	<b>9,654</b>	10,060	<b>581</b>	-

#### Bank loans

As at 30 April 2021, there was a fixed term loan outstanding and drawdowns against the Group's hire purchase facilities. Substantially all the Group's banking arrangements were established with HSBC UK Bank Plc between October and December 2020. The details are as follows:

#### (a) Fresca Group Limited hire purchase facility

Fresca Group Limited has access to a £5 million hire purchase facility with HSBC UK Bank Plc which carries a variable rate based on asset class. At year end the facility was fully available and £1.5 million was due under agreements with HSBC UK Bank Plc (2020: £1.0 million).

#### (b) Fresca Development Limited fixed term loan

Fresca Development Limited agreed a £10m term loan with HSBC UK Bank Plc in October 2020. The loan is secured on certain Group land and buildings and has a term of 3 years from 20 December 2020 with 35 monthly repayments of £83,333 and a final repayment of £7.1 million. The loan carries a rate of interest of LIBOR plus 1.4%. At year end the drawn down balance of the loan was £9.7 million (2020: £11.0 million).

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 22. Creditors: Amounts falling due after more than one year (continued)

#### Loans

	<b>Group 30 April 2021 £000</b>	<b>Group 24 April 2020 £000</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>1,000</b>	2,790
	<hr/>	<hr/>
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>1,000</b>	1,965
	<hr/>	<hr/>
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>7,667</b>	7,630
	<hr/>	<hr/>
	<b>9,667</b>	12,385
	<hr/> <hr/>	<hr/> <hr/>

An omnibus guarantee and set-off arrangement is in place between HSBC UK Bank Plc and Fresca Group Limited, M.&W. Mack Limited, Primafruit Limited, Thanet Earth Investments Limited, Fresca Development Limited, Fresca Development Property Limited, Grape Evolution Limited and The Fresh Produce Centre Limited in respect of the companies' debts and liabilities.

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 30 April 2021 £000</b>	<b>Group 24 April 2020 £000</b>
Within one year	<b>534</b>	496
Between 1-5 years	<b>987</b>	465
	<b>1,521</b>	961

### 24. Financial instruments

The carrying values of the Group's financial assets and liabilities measured at fair value through profit or loss are summarised by category below:

	<b>Group 30 April 2021 £000</b>	<b>Group 24 April 2020 £000</b>
<b>Financial liabilities</b>		
Derivative financial liabilities	<b>199</b>	66

Derivative financial liabilities includes forward foreign exchange contracts.

Information regarding the Group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' Report.

### 25. Deferred taxation

#### Group

	<b>2021 £000</b>	<b>2020 £000</b>
At beginning of year	<b>(1,650)</b>	(1,512)
Charged to profit or loss	<b>(267)</b>	46
Utilised in year	-	(184)
<b>At end of year</b>	<b>(1,917)</b>	(1,650)



FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021

25. Deferred taxation (continued)

Company

	2021 £000	2020 £000
At beginning of year	(102)	(308)
Charged to profit or loss	71	239
Utilised in year	-	(33)
<b>At end of year</b>	<b>(31)</b>	<b>(102)</b>

	Group 30 April 2021 £000	Group 24 April 2020 £000	Company 30 April 2021 £000	Company 24 April 2020 £000
Accelerated capital allowances	(1,591)	(1,197)	(44)	(308)
Tax losses carried forward	-	(138)	13	206
Other timing differences	(326)	(315)	-	-
	<b>(1,917)</b>	<b>(1,650)</b>	<b>(31)</b>	<b>(102)</b>

**FRESCA GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 APRIL 2021**

**26. Share capital**

	<b>30 April 2021 £000</b>	24 April 2020 £000
<b>Allotted, called up and fully paid</b>		
62,630,720 (2020 - 62,630,720) Ordinary shares of £0.02 each	<b>1,253</b>	1,253

At 30 April 2021, the following options were outstanding over 2p ordinary shares:

**Fresca Group Limited Approved and Qualifying Share Option Scheme**

	Number of shares	Vesting date	Expiry date	Exercise price (per share)
30 September 2011	75,000	30/09/2014	30/09/2021	0.700
26 September 2012	85,642	27/09/2015	27/09/2022	0.505
29 November 2013	63,813	29/11/2016	30/11/2023	0.687
16 January 2015	82,635	16/01/2018	16/01/2025	0.934
13 January 2016	215,483	13/01/2019	13/01/2026	1.100
19 September 2017	247,495	19/09/2020	19/09/2027	0.840
7 December 2018	110,927	07/12/2021	07/12/2028	0.620
29 October 2019	110,260	29/10/2022	29/10/2029	0.690
21 December 2020	969,600	22/12/2023	22/12/2030	0.500
	<b>1,960,855</b>			

**Fresca Group Limited Unapproved and Supplementary Share Option Scheme**

	Number of shares	Vesting date	Expiry date	Exercise price (per share)
30 September 2011	30,000	30/09/2014	30/09/2021	0.7000
26 September 2012	4,358	27/09/2015	27/09/2022	0.505
29 November 2013	96,187	29/11/2016	30/11/2023	0.687
16 January 2015	557,365	16/01/2018	16/01/2025	0.934
13 January 2016	484,517	13/01/2019	13/01/2026	1.100
19 September 2017	292,505	19/09/2020	20/09/2027	0.840
7 December 2018	579,073	07/12/2021	07/12/2028	0.620
29 May 2019	1,500,000	29/05/2022	29/05/2022	0.620
29 October 2019	579,740	29/10/2022	29/10/2022	0.690
26 May 2020	1,300,000	27/05/2023	27/05/2023	0.480
21 December 2020	8,540,400	22/12/2023	22/12/2023	0.500
	<b>13,964,145</b>			

# FRESCA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

### 27. Share based payment

#### Share options

Fresca Group Limited grants options to certain of its employees and those of its subsidiaries over its ordinary shares at not less than the market value on the date of grant. The options vest over three years from the date of grant and have a term of seven years from the date of vesting. Exercise of options is subject to continued employment. Options are forfeited if the employee leaves the Group before they vest, unless the conditions under which they leave are such that they are considered to be a good leaver, in which case their options remain exercisable for 6 months after they leave. There are no other performance conditions. Employees are not entitled to dividends on shares attached to vesting or unexercised options.

The fair value of share options awarded has been derived by the use of a Black-Scholes option pricing model, the inputs of which are shown below

	<b>30 April 2021</b>
Underlying price	<b>83.0p</b>
Exercise price	<b>58.2p</b>
Vesting period (years)	<b>3</b>
Expected volatility	<b>38.70%</b>
Expected life (years)	<b>4.12</b>
Risk-free interest rate	<b>1.26%</b>
Dividend yield	<b>2.39%</b>
Weighted average fair value per option	<b>11.3p</b>

Expected volatility is based on the three-year standard deviation of a basket of comparable listed companies and the expected life is the average period expected to exercise. The risk-free rate of return is the yield on zero coupon UK Government bonds of a term consistent with the assumed option life. No performance conditions have been taken into account in arriving at the fair value of options.

The movement in options to subscribe for shares under the Group's share plans is shown in the tables below.

	<b>30 April 2021</b>	<b>30 April 2021</b>	<b>Restated 24 April 2020</b>	<b>Restated 24 April 2020</b>
	<b>No. of share options</b>	<b>Weighted average exercise price (£)</b>	<b>No. of share options</b>	<b>Weighted average exercise price (£)</b>
Opening balance	<b>12,565,000</b>	<b>0.826</b>	<b>10,315,000</b>	<b>0.856</b>
Granted during the year	<b>10,810,000</b>	<b>0.498</b>	<b>3,730,000</b>	<b>0.662</b>
Lapsed during the year	<b>(7,450,000)</b>	<b>0.798</b>	<b>(1,480,000)</b>	<b>0.861</b>
Exercised during the year	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>15,925,000</b>	<b>0.730</b>	<b>12,565,000</b>	<b>0.828</b>

2,235,000 share options were exercisable at the year end at a weighted average exercise price of £0.905 (2020: 4,125,000 options at a price of £0.930).

## **FRESCA GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021**

#### **28. Fresca Group Limited Employee Share Ownership Plan (ESOP)**

The ESOP was created as a discretionary Trust by a Settlement, dated 16 April 1992, by M.&W. Mack Limited. The Settlement has been amended by supplemental Deeds dated 31 March 1994, 3 September 1998 and 25 September 1998. On 2 May 2005, the sponsoring company was transferred from M.&W. Mack Limited to Fresca Group Limited. From that date, the ESOP now forms part of the Fresca Group Limited company figures within these financial statements.

Under the Trust deed (as amended) the beneficiaries of the Trust are limited to current and former employees and their dependents of Fresca Group Limited and its subsidiaries, and the Trustee has the power to invest the assets of the Trust as it sees fit. Under no circumstances can the Trust confer on Fresca Group Limited any right, benefit or possibility of benefit in, or out of, the Trust. The Trustee of the ESOP is The Fresca ESOP Limited, and the Directors of that company during the year were Simon Hodson (Chair), Christopher Mack, Elizabeth McMeikan and Brett Sumner. Brett Sumner resigned as director of the company on 7 July 2021, James Cox was appointed as a director on 27 July 2021.

The ESOP is capable of honouring options exercised over Fresca Group Limited shares as a result of options granted under the Fresca Group Limited Executive Share Option Scheme that replaced the M.&W. Mack Limited No. 2 Executive Share Option Scheme, and the Fresca Group Limited Unapproved Executive Share Option Scheme that replaced the M.&W. Mack Limited Unapproved Executive Share Option Scheme.

In 2015 the Fresca Group Limited Executive Share Option Scheme was replaced by the Fresca Group Executive Share Option Scheme where there is both a Qualifying Scheme (replacing the previous Approved Scheme) and Supplementary Scheme (which replaced the previous Unapproved Scheme).

At 30 April 2021, the ESOP controlled 27,000,003 (2020: 26,683,589) 2p ordinary shares in Fresca Group Limited.

The Trustee of the ESOP has not waived its entitlement to dividends on the shares that it owns.

#### **The Fresca Group Limited Employee Share Incentive Plan (SIP)**

On 21 October 2004 M.&W. Mack Limited set up a share incentive plan (SIP) to enable employees throughout the Group to purchase shares in the company in an efficient way. Contributions to the SIP are deducted from participants' gross pay over the accumulation periods. The first accumulation period started on 1 November 2004. Upon the acquisition of that company by Fresca Group Limited, the SIP was renamed The Fresca Group Limited Employee Share Incentive Plan.

At the end of each accumulation period, the monies collected are used to purchase partnership shares in Fresca Group Limited which are placed in the Trust for the benefit of the participants. In addition, each participant is awarded one matching share for every two partnership shares purchased.

If staff within the scheme leave the Group's employ within three years of the purchase of the partnership shares, save for certain special circumstances, they will lose the initial income tax and National Insurance benefit gained from having deductions made from their gross pay and the matching shares received will be forfeited. Participants are able to receive dividends declared on their shares. Under the rules of the scheme they can either take the dividend as cash or by re investing in purchasing further shares.

## FRESCA GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

#### 29. Reserves

The Group and Company's other reserves are as follows:

- The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings.
- The merger reserve was created in 2006 following the consolidation of Fresca Group Limited and M.& W. Mack Limited. Under merger accounting principles this gave rise to a merger reserve in the consolidated balance sheet.
- The profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.
- The ESOP share reserve represents the costs of the company's shares held by the ESOP.
- The hedge reserve is used to record transactions from the Group's cash flow hedging arrangements.
- The share based payment reserve is used to record transactions from the Group's share based payment arrangements.
- The foreign exchange reserve represents all foreign exchange differences arising from the translation of the net assets of the Group's non-sterling denominated operations.

#### 30. Capital commitments

At 30 April 2021 the Group and Company had capital commitments as follows:

	<b>Group 30 April 2021 £000</b>	Group 24 April 2020 £000	<b>Company 30 April 2021 £000</b>	Company 24 April 2020 £000
Contracted for but not provided in these financial statements	<b>1,369</b>	249	<b>1,369</b>	-
	<b>1,369</b>	249	<b>1,369</b>	-

#### 31. Pension commitments

With effect from 1 May 1991 the Group has operated defined contribution pension schemes for employees becoming eligible for pension provisions after that date. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charged in the profit and loss account represents contributions payable by the Group to the funds and amounted to £1,603,000 (2020: £1,610,000). At 30 April 2021, contributions amounting to £225,000 (2020: £221,00) were payable to the funds and are included within creditors.

## FRESCA GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2021

#### 32. Commitments under operating leases

At 30 April 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 30 April 2021 £000</b>	Group 24 April 2020 £000	<b>Company 30 April 2021 £000</b>	Company 24 April 2020 £000
Within 1 year	1,480	1,054	170	7
Within 2 to 5 years	4,953	3,480	594	-
Later than 5 years	4,815	4,241	-	-
	<b>11,248</b>	<b>8,775</b>	<b>764</b>	<b>7</b>

#### 33. Foreign Exchange Contracts

At 30 April 2021 the Group had entered into forward foreign exchange purchase contracts totalling £12.8m (2020: £19.1m).

#### 34. Related party transactions

Fresca Group Limited has taken advantage of the exemption in Financial Reporting Standard No.102 not to disclose transactions between wholly owned members of the Fresca group of companies.

##### *Associate and joint ventures*

Fresca Group Limited owns 50% of the share capital in each of the joint ventures Manor Fresh Limited and Thanet Earth Holdings Limited, and 25% of the ordinary share capital of TG1 Holding Limited.

During the period, the joint venture companies acquired goods and services from the group of companies headed by Fresca Group Limited to the value of £4.0 million (2020: £2.3 million). In addition, group companies also act as lessors of assets under finance leases to certain of the associate and joint venture companies. Aggregate rentals receivable under the leases were £54,000 for the year (2020: £57,000), and the value of assets leased to associate and joint venture companies is £NIL (2020: £468,000) in total.

During the year the joint venture companies sold products and services to the group of companies headed by Fresca Group Limited to a value of £0.8 million (2020: £0.4 million). The group of companies headed by Fresca Group Limited also provided further funding of 60,000 (2020: £260,000) during the year with a total interest charge of £NIL (2020 £4,400).

As at 30 April 2021, the associate and joint venture companies owed £1,483,000 (2020: £667,000 ) to the group of companies headed by Fresca Group Limited and were owed £9,000 (2020: £24,000) by the group of companies.











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