2018

annual report and
consolidated
financial statements

fresca Group

Company registration no. 05307204

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. From investment at source in the production of fruit and vegetables through to UK facilities for trading, handling and storage of seasonal fresh produce, the structure of the group continues to evolve and adapt to fast-paced market conditions.

Sales
£464m

Net assets
£58m

100% owned

The Fresh Produce Centre, Fresca's largest site and home to some of the biggest names in UK produce.

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

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

Logistics and customs service for fresh produce.

Marketing new grape varieties from the Agricultural Research Organization, Volcani Centre.

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

Importer, packer, ripener and marketeer of fresh fruit. Sites at Evesham and Bishop's Stortford.

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

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

Joint ventures and associates

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.

Grower of strawberries in glasshouse and polytunnels. Production from March to December.

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

In partnership with Martinavarro, Spain's largest citrus grower. Growing, marketing, packing and innovating citrus.

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 and 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

Company Secretary	V Warner
Registered Office	The Fresh Produce Centre Transfesa Road Paddock Wood Kent, TN12 6UT
Auditors	BDO LLP Chartered Accountants & Registered Auditors Arcadia House Maritime Walk Ocean Village Southampton, SO14 3TL
Bankers	Lloyds Banking Group Plc 3rd Floor 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
Solicitors	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN

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Strategic report

Period from 29 April 2017 to 27 April 2018

Ian Craig, Chief Executive

Each business is adjusting to a sector that is experiencing rapid change.

Business Review

A year of mixed fortunes for the companies within the Fresca Group. Each business is adjusting to a sector that is experiencing rapid change.

Changes to retail customers and product supplied decreased turnover by £36m or 7% as compared to 2017. Despite this, operating profit before exceptional items remained in line with prior year as our wholly-owned businesses presented a year on year margin that was slightly better than prior year with support from foreign exchange hedging and no devaluation shock as experienced in the prior year following the Brexit referendum in June 2016. Unfortunately, income from interests in our joint ventures declined sharply with all our joint ventures suffering the high street deflation and direct sourcing pressure widely reported in the press. None more so than our citrus joint venture which posted a loss in the period. Interest costs were down across our wholly-owned businesses, but significantly increased by our associate company's funding of glasshouse builds in Thanet. In total net interest costs increased £126k or 25% as compared to 2017. The tax charge in the year reduced because of joint venture under performance. The Group's performance resulting in a profit after tax for the year of £3.5m (2017: £4.6m).

The fall in turnover is largely attributable to a significant loss of business from one of the Group's large retail customers following their supply chain review and there is an inevitable period of adjustment to follow while the management teams review strategy and work to replace volumes.

Where long term customer agreements are in place we see stability and growth, with joint strategy and opportunity. Primafruit Limited ("Primafruit") has the benefit of such a contract with its key customer; the increase in volume has been significant this year as new products have become part of the supply agreement and volumes of existing supply have increased. This successful operating model remains unique in the wider marketplace at present.

Most multiple retailers have responded to continuing price pressure and intense competition with some form of supply chain review. All of our businesses supplying this sector have either been through or are

currently subject to such reviews with their customers. Whilst extremely time consuming and a cause of significant pressure within a business, the data and resulting business intelligence have been helpful to the management of each company and to the Directors of the Fresca Group. The impact of these supplier reviews has extended back to international grower level where we are seeing consolidation at farm level, with machinery and supply chain developments facilitating an increase in direct deliveries.

One part of the Fresca Group that has not emerged well through this review process is joint venture citrus company, MM Global Citrus Limited ("MMG"). Historically a strong performer in our joint venture portfolio, MMG has endured the loss of a significant proportion of its business in the year. Whilst it has enjoyed a new customer win, this has been insufficient to offset the losses from a procurement strategy geared around very different requirements. The Consolidated Profit & Loss Account shows a notable decrease in joint venture income to the Group this year, with the losses incurred by MMG largely accountable for the reduction.

The fortunes of Mack at Paddock Wood have also been varied through the year. This business has seen some product areas win business and forge ahead with success and clear further potential. Other areas have fallen victim to supply chain review and to increasing competition in our sector. The Paddock Wood site also implemented a long awaited ERP system change during the year which required significant additional resource and focus. In light of the changing market, the management of this business took decisive action with a significant restructure and reshape of the assets that are the people and purpose built facility in Kent into what has now become The Fresh Produce Centre Limited trading as Mack Fruit, The Avocado Company and FreshPLUS.

FreshPLUS is to focus solely on service provision for the modern supply era, primarily using the asset and expertise in Paddock Wood to fulfil a specialist service. This removes operational activities from the Mack business at Paddock Wood which has since rebranded to trade on a commercial only basis as Mack Fruit. Mack Fruit is making satisfactory progress by increasing its sales and winning new business with a broader range of customers.

The decision was also taken to enable the fast growing avocado business freedom to trade with more focus and independence. Building on the successful joint venture and partnership arrangements with Colombian avocado producer, Cartama, and on the sustained increase in demand for the product, the Fresca board considers that this part of the business has great potential. Supported operationally by FreshPLUS and with capital expenditure on supporting machinery, The Avocado Company has been established to drive this forward.

The other Fresca interests with customer focus in the multiple retail sector are the Kent salad grower, Thanet Earth Limited, and the Lincolnshire potato and vegetable specialist, Manor Fresh Limited. Both are joint venture companies and both have performed satisfactorily in the year.

At Thanet Earth the crop in the fifth greenhouse was changed from tomatoes to cucumbers in the year. This proved a decision with significant benefits as imported cucumbers proved very costly to UK suppliers. During the year another greenhouse (the sixth on site) was completed and planted with speciality tomatoes. This greenhouse also features lit production for 12 month harvest capability. This increases Fresca's interest at the site, the Group now a partner in three greenhouses (TG1 Holding Limited) and the central marketing company (Thanet Earth Limited). There remains one further plot ready for development at the Thanet Earth site.

Manor Fresh has used its product diversity and procurement strategy to best advantage to post a satisfactory result whilst remaining focused on the needs of its key retail customer.

Our companies are also taking full advantage of the opportunities that remain in the foodservice sectors. The longest established part of the Group, Mack Wholesale, has performed extremely well in the year despite periods of price deflation with a clear trading strategy delivering improved margins at each trading location. This has been assisted by investment in our sites – in refrigeration and vehicles at Mack Bristol and in new premises for Mack Birmingham in Witton as part of a long awaited move with significant capital expenditure to equip the same.

Strategic report (continued)

Period from 29 April 2017 to 27 April 2018

Principal risks and uncertainties

Predicting the behaviour, tactics and strategy of UK retailers is not easy. The companies in the Fresca Group remain exposed to risk from changes in supply chain practice and from the extreme competition in the sector. Sainsbury's have announced their intention to link forces with Asda, Tesco acquired Booker in the year and have recently announced their intention to partner with French retail giant Carrefour. It would be no surprise to see further consolidation and further fundamental change in the supply chain as price pressures continue and competition increases. The Fresca board manages this risk by encouraging its businesses to seek longer term trading arrangements, match terms of supply with terms of sale, review products and services offered to ensure continuing relevance and value, invest in facilities to support and encourage long term opportunities, develop open discussions with all stakeholders and maintain relationships with customers at all levels.

A source of significant frustration in the past year and the most pressing concern in the coming year is the UK's exit from the European Union. Whilst this year the currency market has not seen the volatility of the months post referendum, such fluctuations could easily be seen again after the UK's exit. We continue to manage currency risk in our businesses using a combination of forward purchases and currency options along with a clear procurement strategy. Other risks and uncertainties from Brexit have now also become more apparent. At the time of writing there is still no clarity about border processes and import requirements post Brexit. We must anticipate and prepare to manage whatever the outcome, the board having engaged professional advice for assistance. Our own customs clearing business, Fresh Clear, is well placed to help the companies in the Fresca Group to navigate their way through new processes and requirements.

Whilst there is much speculation regarding the customs arrangements post Brexit, there is much less about another fundamental risk to our businesses from Brexit. Companies within the Fresca Group rely heavily on a workforce that's diverse and multinational. Including our agency employed colleagues, the majority of staff are European nationals. Recruiting new employees, particularly for our factory roles, has become increasingly difficult and there remains a strong concern about the availability of workers in the coming months and years.

The board is holding recruitment practice under review, with individual sites adopting active recruitment plans to mitigate risk. Reducing staff turnover is an important feature, with increased training and development opportunities now offered, along with an increased number of employed rather than agency roles. In the longer term the company is looking to increase automation where cost allows.

Social and environmental risks are increasingly concerning for the company at a group level. There's an increased awareness in today's world of the harm and impact of modern slavery. Whether in the UK or abroad in our supply chain, this is a real risk to which every company in the Fresca Group is exposed. Through good employment practice and close monitoring of agency contracts, audits and awareness campaigns the company aims to minimise the risk and to ensure that workers feel able to expose wrongdoing or raise issues for investigation.

This last year has also seen a swell of support for the anti plastic campaign. Our industry has spent years working on creating machinery to wrap our products in precisely the materials that consumers no longer wish to buy. Together with our retail partners and packaging suppliers we seek more sustainable solutions that lessen our environmental impact and that of our products without compromising on their quality. This now needs to extend further down the supply chain with more work enhancing the sustainability of production.

Ever present risks for companies trading internationally in fresh produce remain. Our key sources can be affected by extremes of weather, by drought and by instability in global politics. Each business retains a global network of contingency source options, with research projects and local experts providing early warning information to mitigate risk and impact.

Measuring Performance

Each company in the Fresca Group has a defined strategy and measures performance with specific KPIs developed as appropriate. The Fresca Group board maintains an overview using base KPIs which cover both financial and non financial measures. Each company is monitored using performance target data which include combinations of indicators like case volume data,

turnover, gross margin, operating costs and waste. Gross margin is measured down to individual product level to provide relevant financial detail and visibility.

Frequent reporting of health and safety data, of 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.

Future Developments

The year in report has been one of frustration on many fronts, with pressures on companies in the Fresca Group which are largely out of the control of Directors. Customer procurement strategy review has produced mixed results for Fresca Group businesses. Some have emerged stronger, with increased business and others have fared less well. Our people are resilient and resourceful and are finding new ways to take each business forward in ways that are better aligned with the general direction of travel for retailers in the UK, supported by the Fresca board.

Our Paddock Wood businesses have been restructured, rebranded and launched afresh to staff and customers alike. It is anticipated that this lean operation will continue seeking and winning new business more suited to the market today. The results posted by MMG this year are, however, clearly unsustainable, with its future currently under review.

Our wholly owned specialist vegetable business, DGM Growers, has grown steadily and continues to consistently deliver excellent results. To maintain this momentum its ageing site requires remodelling and upgrading with a capital expenditure investment from Fresca Group planned to start in 2018.

Another large investment is at Primafruit in Evesham where Phase 2 of a site extension project is required to support significant increases in product volumes passing through this facility for ripening and packing. This work is underway now, scheduled for completion in January 2019.

The focus of Directors in the Fresca Group will be on facilitating an agile response to a changing landscape – on helping pre empt and plan for the twists and turns of Brexit as events unfold. Our companies need to be responsive and open to opportunity, open minded to alternative ways of working and staying firmly ahead of the market trends. Whilst success can never be guaranteed, maintaining and developing the flexible and resourceful values for which we're known will be crucial to our continuing success.

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

I A Craig
Group Chief Executive
31 August 2018

Directors' report

Period from 29 April 2017 to 27 April 2018

The directors who served during the period were:

C P Mack (Chairman)
I A Craig
B G Sumner
N J Trood
S J Hodson (non executive)
E McMeikan (non executive)

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.

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 and that it is appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditors

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

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

Qualifying third party indemnity provisions

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

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.

Results and dividends

The profit for the period, after taxation and minority interests, amounted to £3,515,000 (2017: £4,566,000).

Dividends of £1,402,928 were paid during the period (2017: £1,402,928) and the directors recommend a final dividend of 1.36p per share (2017: 1.36p per share)

Donations

The Fresca Group made no political donations in the period.

Companies within the Fresca Group support a number of local charities on a divisional basis. During the period the Group made £5,860 of charitable donations (2017: £7,065)

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

Regular meetings are held between employees and senior management across the businesses making up the Group, with face to face briefings held with employees at appropriate times. These meetings and briefings enable senior management to consult with employees and ascertain their views on matters in which they have a direct interest. Managers maintain an 'open door' approach and employees are given numerous ways in which they can communicate with senior managers, either formally or indeed in anonymity.

The Fresca Group also has consultative committees at its larger locations, with members drawn from across the business, representing the views of employees. During the year the Group launched an employee communication app as an additional tool for employees to connect with the company. 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 (37% as at 27th April 2018). 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 enhance by people of different backgrounds, age and ability.

As detailed within the Group's Equality & Diversity Policy document, the companies in The 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

With increasing pressures on natural resources at home and abroad our companies have worked hard to ensure that waste – whether of our products or of a resource like water or energy – becomes culturally unacceptable within our workplaces and our supply chains.

The companies within the Fresca Group are key donors for foodbank charities like FareShare, with our principal sites proud of their 'zero waste to landfill' achievement. There are also savings evidenced by site showing significant carbon reductions from reduced energy usage thanks to investment in efficiency and creative approaches to our continuing need for refrigeration and ripening facilities.

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 trading in the open market when this is appropriate. 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.

Directors' report (continued)

Period from 29 April 2017 to 27 April 2018

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 a 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 Lloyds 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, a revolving credit facility and longer term loans.

Financial instrument 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 several fixed term loans as well as a short term revolving loan; all in sterling. 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 remains critical to future proofing our supply chain, adding value to our functions and, critically in this financial year, the ERP system at our Paddock Wood site.

Post balance sheet events

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

Auditors

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 31 August 2018 and signed on its behalf.

Mrs V Warner
Secretary

Auditor's report

Period from 29 April 2017 to 27 April 2018

Opinion

We have audited the financial statements of Fresca Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 27 April 2018 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 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).

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 27 April 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's 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.

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://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

September 2018

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

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 27 APRIL 2018

	Note	**Period 27 April 2018 £000**	Period 28 April 2017 £000
Turnover			
Group and share of joint ventures' turnover		**463,536**	499,338
Less: share of joint ventures' turnover		**(110,979)**	(119,178)
Group turnover	4	**352,557**	380,160
Cost of sales		**(337,056)**	(366,067)
Gross profit		**15,501**	14,093
Operating expenses		**(10,296)**	(8,935)
Exceptional operating expenses	5	**-**	(617)
Operating profit	6	**5,205**	4,541
Income from interests in joint ventures		**(212)**	2,009
Income from interests in associated undertakings		**671**	232
Loss on sale of subsidiary		**-**	(80)
Interest receivable and similar income	11	**42**	32
Interest payable and similar expenses	12	**(677)**	(541)
Profit before tax		**5,029**	6,193
Tax on profit	13	**(1,506)**	(1,618)
Profit for the financial period		**3,523**	4,575
Profit for the period attributable to:			
Non-controlling interests		**8**	9
Owners of the parent		**3,515**	4,566
		3,523	4,575

The notes on pages 28 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 27 APRIL 2018

	Note	**Period 27 April 2018 £000**	Period 28 April 2017 £000
Profit for the financial period		**3,523**	4,575
Other comprehensive income			
Movement on cash flow hedge		**172**	(105)
Deferred tax movement on derivative financial instruments		**(29)**	5
Other comprehensive income for the period		**143**	(100)
Total comprehensive income for the period		**3,666**	4,475
Total comprehensive income attributable to:			
Non-controlling interest		**8**	9
Owners of the parent Company		**3,658**	4,466
		3,666	4,475

The notes on pages 28 to 62 form part of these financial statements.

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

CONSOLIDATED BALANCE SHEET
AS AT 27 APRIL 2018

	Note		27 April 2018 £000		As restated 28 April 2017 £000
Fixed assets					
Intangible assets	15		**3,321**		2,909
Tangible assets	16		**35,136**		35,440
Investments	17		**11,938**		12,105
			50,395		50,454
Current assets					
Stocks	18	**12,076**		13,133	
Debtors: amounts falling due within one year	19	**42,703**		52,287	
Cash at bank and in hand	20	**7,162**		1,154	
		61,941		66,574	
Creditors: amounts falling due within one year	21	**(45,847)**		(52,995)	
Net current assets			**16,094**		13,579
Total assets less current liabilities			**66,489**		64,033
Creditors: amounts falling due after more than one year	22		**(7,304)**		(6,918)
Provisions for liabilities					
Deferred taxation	25	**(1,123)**		(1,229)	
			(1,123)		(1,229)
Net assets excluding pension asset			**58,062**		55,886
Net assets			**58,062**		55,886

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 27 APRIL 2018

	Note	**27 April 2018 £000**	28 April 2017 £000
Capital and reserves			
Called up share capital	26	**1,253**	1,253
Revaluation reserve	30	**69**	69
Merger reserve	30	**2,618**	2,618
Profit and loss account	30	**78,191**	75,524
Share based payment reserve	30	**2,308**	1,950
Hedge reserve	30	**(14)**	(157)
ESOP shares	30	**(26,479)**	(25,479)
Equity attributable to owners of the parent Company		**57,946**	55,778
Non-controlling interests		**116**	108
		58,062	55,886

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 August 2018.

C P Mack
Director

B G Sumner
Director

The notes on pages 28 to 62 form part of these financial statements.

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

COMPANY BALANCE SHEET
AS AT 27 APRIL 2018

	Note		27 April 2018 £000		As restated 28 April 2017 £000
Fixed assets					
Intangible assets	15		**67**		-
Tangible assets	16		**1,560**		24
Investments	17		**13,141**		12,828
			14,768		12,852
Current assets					
Debtors: amounts falling due within one year	19	**11,827**		16,737	
Cash at bank and in hand	20	**3,931**		1,818	
		15,758		18,555	
Creditors: amounts falling due within one year	21	**(2,755)**		(27,700)	
Net current assets/(liabilities)			**13,003**		(9,145)
Total assets less current liabilities			**27,771**		3,707
Net assets excluding pension asset			**27,771**		3,707
Net assets			**27,771**		3,707

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

COMPANY BALANCE SHEET (CONTINUED)
AS AT 27 APRIL 2018

	Note	27 April 2018 £000	As restated 28 April 2017 £000
Capital and reserves			
Called up share capital	26	**1,253**	1,253
ESOP shares	30	**(26,479)**	(25,479)
Other reserves	30	**2,308**	1,950
Profit and loss account		**50,689**	25,983
		27,771	3,707

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 year ended 27 April 2018 is £25,554,000 (2017: Loss of £1,631,000). The profit in the current period was attributable to dividend income received from M.& W.Mack Limited, offsetting historical inter-company loans.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 August 2018.

C P Mack
Director

B G Sumner
Director

The notes on pages 28 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 APRIL 2018

	Called up share capital	ESOP share reserve	Revaluation reserve	Hedge reserve	Share based payment reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 28 April 2017	1,253	(25,479)	69	(157)	1,950	2,618	75,524	55,778	108	55,886
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	3,515	3,515	8	3,523
Movement in cash flow hedges	-	-	-	172	-	-	-	172	-	172
Taxation in respect of other comprehensive income	-	-	-	(29)	-	-	-	(29)	-	(29)
Other comprehensive income for the period	-	-	-	143	-	-	-	143	-	143
Total comprehensive income for the period	-	-	-	143	-	-	3,515	3,658	8	3,666
Dividends	-	-	-	-	-	-	(848)	(848)	-	(848)
Purchase of shares by ESOP	-	(1,000)	-	-	-	-	-	(1,000)	-	(1,000)
Share based payment credit	-	-	-	-	358	-	-	358	-	358
Total transactions with owners	-	(1,000)	-	-	358	-	(848)	(1,490)	-	(1,490)
At 27 April 2018	1,253	(26,479)	69	(14)	2,308	2,618	78,191	57,946	116	58,062

The notes on pages 28 to 62 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 APRIL 2017

	Called up share capital	ESOP share reserve	Revaluation reserve	Hedge reserve	Share based payment reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 29 April 2016	1,253	(23,851)	69	(57)	1,676	2,618	71,847	53,555	99	53,654
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	4,566	4,566	9	4,575
Movement in cash flow hedges	-	-	-	(105)	-	-	-	(105)	-	(105)
Taxation in respect of other comprehensive income	-	-	-	5	-	-	-	5	-	5
Other comprehensive income for the period	-	-	-	(100)	-	-	-	(100)	-	(100)
Total comprehensive income for the period	-	-	-	(100)	-	-	4,566	4,466	9	4,475
Dividends	-	-	-	-	-	-	(889)	(889)	-	(889)
Purchase of shares by ESOP	-	(1,628)	-	-	-	-	-	(1,628)	-	(1,628)
Share based payment credit	-	-	-	-	274	-	-	274	-	274
Total transactions with owners	-	(1,628)	-	-	274	-	(889)	(2,243)	-	(2,243)
At 28 April 2017	1,253	(25,479)	69	(157)	1,950	2,618	75,524	55,778	108	55,886

The notes on pages 28 to 62 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 APRIL 2018

	Called up share capital	ESOP share reserve	Share based payment reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 28 April 2017	1,253	(25,479)	1,950	25,983	3,707
Comprehensive income for the period					
Profit for the period	-	-	-	25,554	25,554
Contributions by and distributions to owners					
Dividends	-	-	-	(848)	(848)
Purchase of shares by ESOP	-	(1,000)	-	-	(1,000)
Share based payment credit	-	-	358	-	358
Total transactions with owners	-	(1,000)	358	(848)	(1,490)
At 27 April 2018	1,253	(26,479)	2,308	50,689	27,771

The notes on pages 28 to 62 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 APRIL 2017

	Called up share capital	ESOP share reserve	Share based payment reserve	Profit and loss account as restated	Total equity
	£000	£000	£000	£000	£000
At 29 April 2016	1,253	(23,851)	1,676	28,503	7,581
Comprehensive income for the period					
Loss for the period (as restated)	-	-	-	(1,631)	(1,631)
Contributions by and distributions to owners					
Dividends	-	-	-	(889)	(889)
Purchase of shares by ESOP	-	(1,628)	-	-	(1,628)
Share based payment credit	-	-	274	-	274
Total transactions with owners	-	(1,628)	274	(889)	(2,243)
At 28 April 2017	1,253	(25,479)	1,950	25,983	3,707

The notes on pages 28 to 62 form part of these financial statements.

The loss for the period has increased from £1,448,000 by £183,000 to £1,631,000 to to correct a prior year misclassification of inter-divisional charges.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 27 APRIL 2018

	27 April 2018 £000	28 April 2017 £000
Cash flows from operating activities		
Profit for the financial period	**3,523**	4,575
Adjustments for:		
Amortisation of intangible assets	**213**	35
Depreciation of tangible assets	**2,947**	3,110
Profit on disposal of tangible assets	**(25)**	(55)
Interest payable	**677**	541
Interest receivable	**(42)**	(32)
Taxation charge	**1,506**	1,618
Decrease/(increase) in stocks	**1,056**	(2,193)
Decrease/(increase) in debtors	**8,991**	(6,660)
(Decrease)/increase in creditors	**(6,274)**	3,882
Share of operating profit in associates & joint ventures	**(459)**	(2,240)
Corporation tax paid	**(670)**	(851)
Share based payment charges	**358**	274
Interest paid	**(332)**	(392)
Net cash generated from operating activities	**11,469**	1,612
Cash flows from investing activities		
Purchase of intangible fixed assets	**(625)**	-
Sale of intangible assets	**-**	82
Purchase of tangible fixed assets	**(2,452)**	(5,278)
Sale of tangible fixed assets	**60**	-
Purchase of shares in joint ventures	**-**	(1,375)
Interest received	**31**	25
Dividends received from joint ventures	**325**	325
Disposal of subsidiaries	**-**	5,808
Net cash from investing activities	**(2,661)**	(413)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 27 APRIL 2018

	27 April 2018 £000	28 April 2017 £000
Cash flows from financing activities		
Purchase of own shares by ESOP	**(1,000)**	(1,628)
New bank loans	**2,479**	1,660
Repayment of bank loans	**(1,805)**	(2,239)
Repayment of finance leases	**(762)**	(611)
Dividends paid	**(848)**	(889)
Net cash used in financing activities	**(1,936)**	(3,707)
Net increase/(decrease) in cash and cash equivalents	**6,872**	(2,508)
Cash and cash equivalents at beginning of period	**290**	2,799
Cash and cash equivalents at the end of period	**7,162**	291
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**7,162**	1,154
Bank overdrafts	**-**	(863)
	7,162	291

The notes on pages 28 to 62 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2018

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 judgment 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 Company 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 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. Accounting policies (continued)

2.3 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.

2.4 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 services are rendered to customers, whether or not they are received by the customer in the year. Turnover is stated net of VAT and trade discounts.

2.5 Cost of sales

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

2.6 Interest income

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

2.7 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.

2.8 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. Accounting policies (continued)

2.9 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.10 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.

2.11 Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided on the following basis:

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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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. Accounting policies (continued)

2.14 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.

2.15 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. Accounting policies (continued)

2.16 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 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 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.

2. Accounting policies (continued)

2.16 Financial instruments (continued)

(iii) Hedge accounting

The Group enters into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. The Group enters into forward currency deals to manage its exposure to currency fluctuations. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. This amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. Any ineffective portions of those movements are recognised in profit or loss for the year.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.17 Creditors

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

2.18 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.

2.19 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. Accounting policies (continued)

2.20 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.

2.21 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.

2.22 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 year 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.

2.23 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.

2.24 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.

2.25 Pensions - Defined contribution scheme

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

3. Judgments 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2018

4. Turnover

Analysis of turnover by country of destination:

	Period 27 April 2018 £000	Period 28 April 2017 £000
United Kingdom	**351,460**	377,600
Rest of Europe	**224**	1,100
Rest of the world	**873**	1,460
	352,557	380,160

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 27 April 2018 £000	Period 28 April 2017 £000
Redundancy costs	**-**	617
	-	617

6. Operating profit

Operating profit is stated after charging/(crediting):

	Period 27 April 2018 £000	Period 28 April 2017 £000
Amortisation of intangible assets, including goodwill	**213**	35
Depreciation of tangible fixed assets - owned	**2,475**	2,707
Depreciation of tangible fixed assets - hire purchased	**472**	403
Profit on disposal of fixed assets	**(25)**	(55)
Exchange differences	**(141)**	22
Other operating lease rentals	**1,545**	1,740

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2018

7. Auditor's remuneration

	Period 27 April 2018 £000	Period 28 April 2017 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	**8**	8
Fees payable to the company's auditor for the audit of the company's subsidiaries	**111**	92
Total audit fees	**119**	100
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	**29**	27
Other services relating to taxation	**12**	17
All other services	**17**	7
	58	51

8. Employees

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

	Group 27 April 2018 £000	Group 28 April 2017 £000	**Company 27 April 2018 £000**	Company 28 April 2017 £000
Wages and salaries	**27,330**	27,057	**3,235**	2,001
Social security costs	**2,671**	2,529	**379**	107
Share based payment	**358**	347	**124**	(53)
Other pension costs	**1,346**	1,177	**254**	120
	31,705	31,110	**3,992**	2,175

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

	Group Period 27 April 2018 No.	Group Period 28 April 2017 No.	**Company Period 27 April 2018 No.**	Company Period 28 April 2017 No.
Distribution	**745**	742	**-**	-
Administration	**143**	160	**45**	21
	888	902	**45**	21

9. Directors' remuneration

	Period 27 April 2018 £000	Period 28 April 2017 £000
Directors' emoluments	**1,317**	1,904
Company contributions to defined contribution pension schemes	**20**	19
Amounts paid to third parties in respect of directors' services	**27**	63
	1,364	1,986

During the period retirement benefits were accruing to four directors (2017: four) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £442,000 (2017: £789,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2017: £Nil).

During the period no directors exercised share options (2017: one).

10. Key management compensation

	27 April 2018 £000	As restated 28 April 2017 £000
Salaries and other short term benefits	**5,241**	6,082
Company contributions to defined contribution pension scheme	**501**	469
Share based payments	**358**	278
	6,100	6,829

Prior year amounts have been restated to include the compensation paid to directors.

11. Interest receivable

	Period 27 April 2018 £000	Period 28 April 2017 £000
Share of joint ventures' interest receivable	**10**	7
Share of associates' interest receivable	**1**	-
Other interest receivable	**31**	25
	42	32

12. Interest payable and similar expenses

	Period 27 April 2018 £000	Period 28 April 2017 £000
Bank interest payable	**245**	323
Finance leases and hire purchase contracts	**87**	69
Share of joint ventures	**55**	64
Share of associates	**290**	85
	677	541

13. Taxation

	Period 27 April 2018 £000	Period 28 April 2017 £000
Corporation tax		
Current tax on profits for the year	**1,193**	896
Adjustments in respect of previous periods	**20**	(10)
	1,213	886
Foreign tax	**70**	19
Tax in respect of ESOP	**208**	182
Total current tax	**1,491**	1,087
Deferred tax		
Origination and reversal of timing differences	**(43)**	(59)
Under provision in prior period	**(64)**	(12)
Total deferred tax	**(107)**	(71)
Other tax		
Joint venture taxation	**50**	530
Associate taxation	**72**	72
Taxation on profit on ordinary activities	**1,506**	1,618

13. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	Period 27 April 2018 £000	Period 28 April 2017 £000
Profit on ordinary activities before tax	**5,029**	6,193
Share of joint ventures' (profit) before taxation	**(76)**	(2,285)
Share of associate's (profit) before taxation	**(381)**	(146)
	4,572	3,762
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**869**	752
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**65**	68
Expenses not deductible for tax purposes	**313**	220
Adjustments to tax charge in respect of prior periods	**20**	(10)
Adjustments to deferred tax charge in respect of previous periods	**(64)**	(12)
Different tax rate on current tax	**(1)**	(3)
Different tax rate on deferred tax	**5**	(75)
Foreign tax credits	**31**	-
Effects of different tax rates of subsidiaries operating in other jurisdictions	**3**	-
Tax movement arising from exercise of employee options	**38**	(12)
Additional rate of income tax in respect of ESOP	**105**	88
Share of joint ventures' tax charge	**50**	530
Share of associates' tax charge	**72**	72
Total tax charge for the period	**1,506**	1,618

Factors that may affect future tax charges

The main rate of corporation tax reduced to 19% on 1 April 2017 and is expected to remain at this rate until 1 April 2020, when it will then reduce to 17%. Deferred tax balances have been recognised at 17% as this is the tax rate substantively enacted at the balance sheet date.

14. Dividends

The following dividends have been paid in respect of the year

	27 April 2018 £000	28 April 2017 £000
Final dividend in respect of previous year 1.36p (2017: 1.36p) on 62,630,720 2p ordinary shares	**852**	852
Interim dividend in respect of current year 0.88p (2017: 0.88p) on 62,630,720 2p ordinary shares	**551**	551
Dividend income received by ESOP	**(555)**	(514)
	848	889

A final dividend of 1.36p per share is proposed (2017: 1.36p per share). This is not included in the above figures in accordance with Financial Reporting Standard 102.

15. Intangible assets

Group

	Varietal rights £000	Computer software £000	Goodwill £000	Total £000
Cost				
At 29 April 2017 (as previously stated)	-	-	5,819	5,819
Prior Year Adjustment	-	3,689	-	3,689
At 29 April 2017 (as restated)	-	3,689	5,819	9,508
Additions	171	454	-	625
At 27 April 2018	171	4,143	5,819	10,133
Amortisation				
At 29 April 2017 (as previously stated)	-	-	5,619	5,619
Prior Year Adjustment	-	980	-	980
At 29 April 2017 (as restated)	-	980	5,619	6,599
Charge for the year	14	164	35	213
At 27 April 2018	14	1,144	5,654	6,812
Net book value				
At 27 April 2018	157	2,999	165	3,321
At 28 April 2017 (as restated)	-	2,709	200	2,909

Prior year balances have been restated to reclassify computer software from fixed assets to intangible assets under the requirements of FRS 102.

15. Intangible assets (continued)

Company

	Computer software £000
Cost	
Additions	**35**
Intra-group transfers	**1,068**
At 27 April 2018	**1,103**
Amortisation	
Charge for the year	**53**
Amortisation transfer from group	**983**
At 27 April 2018	**1,036**
Net book value	
At 27 April 2018	**67**
At 28 April 2017	**-**

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
Cost or valuation						
At 29 April 2017 (as previously stated)	**25,277**	**9,508**	**27,163**	**560**	**15,108**	**77,616**
Prior Year Adjustment	**-**	**-**	**-**	**-**	**(3,689)**	**(3,689)**
At 29 April 2017 (as restated)	**25,277**	**9,508**	**27,163**	**560**	**11,419**	**73,927**
Additions	**439**	**165**	**1,171**	**120**	**782**	**2,677**
Disposals	**(255)**	**-**	**(461)**	**(80)**	**(46)**	**(842)**
At 27 April 2018	**25,461**	**9,673**	**27,873**	**600**	**12,155**	**75,762**
Depreciation						
At 29 April 2017 (as previously stated)	**8,086**	**-**	**21,504**	**369**	**9,508**	**39,467**
Prior Year Adjustment	**-**	**-**	**-**	**-**	**(981)**	**(981)**
At 29 April 2017 (as restated)	**8,086**	**-**	**21,504**	**369**	**8,527**	**38,486**
Charge for the period	**728**	**-**	**1,323**	**75**	**821**	**2,947**
Disposals	**(248)**	**-**	**(437)**	**(76)**	**(46)**	**(807)**
At 27 April 2018	**8,566**	**-**	**22,390**	**368**	**9,302**	**40,626**
Net book value						
At 27 April 2018	**16,895**	**9,673**	**5,483**	**232**	**2,853**	**35,136**
At 28 April 2017 (as restated)	17,191	9,508	5,659	191	2,891	35,440

Prior year balances have been restated to reclassify computer software from fixed assets to intangible assets under the requirements of FRS 102.

16. Tangible fixed assets (continued)

The net book value of fixed assets of £35.1 million (2017: £35.4 million) includes an amount of £2.8 million (2017: £2.5 million) in respect of assets held under hire purchase contracts. All assets form part of the security to Lloyds Bank plc for Group borrowings.

Included in land and buildings is freehold land classified as an investment property of £0.4m (2017: £0.4m) the fair value has been reviewed based on evidence for similar land sold in the local area.

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

	27 April 2018 £000	28 April 2017 £000
Freehold land	**2,619**	2,619
Freehold buildings	**12,525**	12,743
Long leasehold properties (over 50 years)	**1,684**	1,754
Short leasehold properties	**67**	75
	16,895	17,191

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

	27 April 2018 £000	28 April 2017 £000
Net book value at end of year	**16,891**	17,187
Historical cost	**22,674**	22,674
Depreciation	**(8,481)**	(7,839)
Historical cost net book value at end of year	**14,193**	14,835

16. Tangible fixed assets (continued)

Company

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 29 April 2017	**139**	**-**	**139**
Additions	**4**	**243**	**247**
Transfers intra group	**17**	**4,961**	**4,978**
Disposals	**-**	**(18)**	**(18)**
At 27 April 2018	**160**	**5,186**	**5,346**
Depreciation			
At 29 April 2017	**115**	**-**	**115**
Charge for the period on owned assets	**8**	**529**	**537**
Transfers intra group	**12**	**3,140**	**3,152**
Disposals	**-**	**(18)**	**(18)**
At 27 April 2018	**135**	**3,651**	**3,786**
Net book value			
At 27 April 2018	**25**	**1,535**	**1,560**
At 28 April 2017	24	-	24

17. Fixed asset investments

Group

	Investment in joint ventures £000	Investments in associates £000	Trade investments £000	Total £000
Cost or valuation				
At 29 April 2017	**14,378**	**4,222**	**25**	**18,625**
Additions	**14**	**-**	**-**	**14**
Share of profit/(loss)	**(155)**	**308**	**-**	**153**
At 27 April 2018	**14,237**	**4,530**	**25**	**18,792**
Impairment				
At 29 April 2017	**6,520**	**-**	**-**	**6,520**
Charge for the period	**334**	**-**	**-**	**334**
At 27 April 2018	**6,854**	**-**	**-**	**6,854**
Net book value				
At 27 April 2018	**7,383**	**4,530**	**25**	**11,938**
At 28 April 2017	7,858	4,222	25	12,105

Dividends of £325,000 (2017: £325,000) were paid by the joint venture companies during the year.

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	Class of shares	Holding	Principal activity
Primafruit Limited[1]	Ordinary	100 %	Sourcing, marketing, and selling of fresh fruit
Fresca Development Limited	Ordinary	100 %	Construction
Fresca Development Property Limited	Ordinary	100 %	Property leasing
M.& W.Mack Limited	Ordinary	100 %	Sourcing, marketing, packaging and selling of fresh fruit and vegetables
Thanet Earth Investments Limited	Ordinary	100 %	Site development
Wallings Property Limited	Ordinary	75 %	Leasing of land and tangible fixed assets
Cartama UK Limited	Ordinary	100 %	Sourcing, marketing, and selling of fresh fruit
Grape Evolution Limited	Ordinary	100 %	Marketing of grape varietals
The Fresh Produce Centre Limited	Ordinary	100 %	Sourcing, marketing, packaging and selling of fresh fruit
The Fresca ESOP Limited	Ordinary	100 %	Dormant

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Thanet Growers Seven Limited[2]	Ordinary	100 %	Site development
Fresca Spain SL[6]	Ordinary	100 %	Technical and quality assurance services
The Avocado Company Limited	Ordinary	100 %	Dormant

17. Fixed asset investments (continued)

Associates and joint ventures

Name	Class of shares	Holding	Principal activity
MM Global Citrus Limited	Ordinary	50%	Sourcing, marketing, and selling of citrus fruit
MMG Citrus South Africa (Pty) Limited[5]	Ordinary	50%	Technical and quality assurance services
Manor Fresh Limited[4]	Ordinary	50%	Sourcing, marketing, packaging and selling of potatoes and vegetables
Thanet Earth Holdings Limited[2]	Ordinary	50%	Group engaged in procurement, packaging and sale of salad products
Thanet Earth Limited, Thanet Earth Construction Limited, Thanet Earth Estates Limited[2]	Ordinary	50%	Group engaged in procurement, packaging and sale of salad products
Wallings Holdings Limited[3]	Ordinary	40%	Group engaged in growing of strawberries
Wallings Nursery Limited	Ordinary	40%	Group engaged in growing of strawberries
TG1 Holding Limited[2]	Ordinary	25%	Group engaged in growing of vegetables
Thanet Growers Three Limited[2]	Ordinary	25%	Group engaged in growing of vegetables
Thanet Growers Six Limited[2]	Ordinary	25%	Group engaged in growing of vegetables
Thanet Growers One Limited[2]	Ordinary	25%	Site development
Thanet Energy Limited[2]	Ordinary	25%	Transmission of electricity
Custom Plum Company Limited	Ordinary	50%	Group engaged in marketing of fruit
Custom Plum Company (Pty) Limited	Ordinary	50%	Group engaged in marketing of fruit

(1) Vale Business Park, Enterprise Way, Evesham, Worcestershire, WR11 1GT
(2) The Packhouse, Barrow Man Road, Birchington, Kent, United Kingdom, CT7 0AX
(3) 100 Fetter Lane, London, EC4A 1BN
(4) Manor Farm, Holbeach Hurn, Spalding, Lincolnshire, PE12 8LR
(5) 90 La Belle Vie, Welgevonden Boulevard, Stellenbosch, 7600, South Africa
(6) Calle Poeta, Verdaguer 26, Castellon 12002, Spain

17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation				
At 29 April 2017 (as previously stated)	**5,982**	**1,004**	**5,842**	**12,828**
Prior Year Adjustment	**(59)**	**-**	**59**	**-**
At 29 April 2017 (as restated)	**5,923**	**1,004**	**5,901**	**12,828**
Additions	**288**	**-**	**25**	**313**
At 27 April 2018	**6,211**	**1,004**	**5,926**	**13,141**
Net book value				
At 27 April 2018	**6,211**	**1,004**	**5,926**	**13,141**
At 28 April 2017 (as restated)	5,923	1,004	5,901	12,828

Prior year amounts have been restated by £59,000 to correct a misclassification between investments in subsidiary undertakings and investments in joint ventures.

All of the above investments are unlisted and carried at cost less any amortisation.

18. Stocks

	Group 27 April 2018 £000	Group As restated 28 April 2017 £000
Raw materials and consumables	**12,076**	13,133
	12,076	13,133

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

Prior year balances have been increased by £740,000 to include goods in transit previously omitted.

Stock recognised in cost of sales during the period as an expense was £335 million (2017 - £366 million)

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19. Debtors

	Group	Group	**Company**	Company
		As restated		As restated
	27 April	28 April	**27 April**	28 April
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Trade debtors	**33,729**	39,660	**11**	46
Amounts owed by Group undertakings	**-**	-	**9,453**	14,256
Amounts owed by joint ventures and associated undertakings	**2,603**	2,759	**509**	606
Other debtors	**2,189**	3,425	**239**	574
Prepayments and accrued income	**3,613**	5,280	**966**	161
Corporation tax	**569**	1,163	**552**	1,023
Deferred taxation	**-**	-	**97**	71
	42,703	52,287	**11,827**	16,737

Group
Prepayments and accrued income have been increased by £1,403,000 to gross up amounts previously classified within other creditors.

Company
Amounts owed by Group undertakings have been reduced by £183,000 to correct a prior year misclassification of inter-divisional charges.

20. Cash and cash equivalents

	Group 27 April 2018 £000	Group 28 April 2017 £000	**Company 27 April 2018 £000**	Company 28 April 2017 £000
Cash at bank and in hand	**7,162**	1,154	**3,931**	1,818
Less: bank overdrafts	**-**	(863)	**(695)**	(322)
	7,162	291	**3,236**	1,496

21. Creditors: Amounts falling due within one year

	Group 27 April 2018 £000	Group As restated 28 April 2017 £000	**Company 27 April 2018 £000**	Company As restated 28 April 2017 £000
Bank overdrafts	**-**	863	**695**	322
Bank loans	**1,900**	2,078	**-**	180
Trade creditors	**29,340**	35,758	**715**	800
Amounts owed to Group companies	**-**	-	**1**	25,211
Amounts owed to joint ventures	**1,362**	150	**100**	-
Amounts owed to other participating interests	**1**	-	**-**	-
Corporation tax	**1,560**	1,347	**139**	69
Other taxation and social security	**1,054**	1,336	**385**	664
Obligations under finance lease and hire purchase contracts	**742**	812	**-**	-
Other creditors	**9,888**	10,651	**720**	454
	45,847	52,995	**2,755**	27,700

Group
Trade creditors have been increased by £740,000 to include goods in transit that were previously omitted.

Other creditors have been increased by £1,403,000 to gross up for amounts that should have been classified as prepayments and accrued income.

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

	Group 27 April 2018 £000	Group 28 April 2017 £000
Bank loans	**6,275**	5,424
Net obligations under finance leases and hire purchase contracts	**1,029**	1,494
	7,304	6,918

Bank loans

As at 27 April 2018, there was a fixed term loan outstanding and a draw down from the Group's short-term hire purchase facilities. The details of each are as follows and the aggregate repayments due are shown in the table below:

(a) Fresca Group Limited fixed term loan

The Group borrowed £1.8 million on 13 August 2012 from Lloyds Bank Plc to fund its investment in TG1 Holding Limited. This bank loan was secured on certain group land and buildings and had a term of five years. The loan carried a rate of interest of three month LIBOR plus 1.7%. At year end the drawn down balance of the loan was nil (2017: £0.2m).

(b) Fresca Group Limited revolving loan and overdraft facilities

Fresca Group Limited renewed its £5 million revolving credit and £3 million overdraft facilities on the 12 February 2018 with Lloyds Bank Plc. Drawdowns carry interest at the rate of three month LIBOR plus 1.7% on the revolving facility and base rate plus 1.35% on the overdraft facility. Undrawn monies within the revolving facility attract interest at the rate of 0.7%. There was no balance drawn down under the revolving loan facility as at 27 April 2018 (2017: £nil).

(c) M.& W.Mack Limited fixed term loan

M&W Mack Limited agreed a loan facility of £5.9 million with Lloyds Bank Plc to fund the acquisition and development of new ERP system in July 2014. In June 2017 this loan facility was refinanced and replaced by a loan facility of £4.4m with Lloyds Bank Plc, secured on certain Group land and buildings, with a term of 4 years. The loan carries a rate of interest of three month LIBOR plus 1.7%. At year end the drawn down balance of the loan was £3.6m (2017: £1.9m).

(d) Fresca Development Limited fixed term loan

Fresca Development Limited had a loan facility of £6 million agreed by Lloyds Bank to fund development of our Evesham site in November 2016. The bank loan is secured on certain Group land and buildings and has a term of 5 years from June 2017. The loan carries a rate of interest of three month LIBOR plus 1.7%. At year end the drawn down balance of the loan was £4.6 million (2017: £5.4m).

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Loans

	Group 27 April 2018 £000	Group 28 April 2017 £000	**Company 27 April 2018 £000**	Company 28 April 2017 £000
Amounts falling due within one year				
Bank loans	**1,900**	2,078	**-**	180
	1,900	2,078	**-**	180
Amounts falling due 1-2 years				
Bank loans	**1,900**	1,624	**-**	-
	1,900	1,624	**-**	-
Amounts falling due 2-5 years				
Bank loans	**4,375**	3,800	**-**	-
	4,375	3,800	**-**	-
	8,175	7,502	**-**	180

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

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 27 April 2018 £000	Group 28 April 2017 £000
Within one year	**742**	812
Between 1-5 years	**1,029**	1,494
	1,771	2,306

24. Financial instruments

	Group 27 April 2018 £000	Group As restated 28 April 2017 £000
Financial assets		
Debt instruments measured at amortised cost	**45,686**	46,995
	45,686	46,995
Financial liabilities		
Financial liabilities measured at amortised cost	**50,520**	57,230
Derivative instruments at market value	**18**	866
	50,538	58,096

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors, amounts owed by Group undertakings, joint ventures and associated undertakings.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, finance leases, other creditors and accruals and amounts owed to Group undertakings.

Derivative financial instruments include interest rate swaps and 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.

Financial liabilities measured at amortised cost have been increased by £740,000 to include goods in transit that were previously omitted, and by £1,403,000 to gross up for amounts that should have been classified as prepayments and accrued income.

25. Deferred taxation

Group

	2018 £000	2017 £000
Liability		
At beginning of year	**1,229**	1,303
Charged to profit or loss	**(106)**	(71)
Charged to other comprehensive income	**-**	(3)
At end of year	**1,123**	1,229

Company

	2018 £000	2017 £000
Asset		
At beginning of year	**71**	63
Charged to profit or loss	**26**	8
At end of year	**97**	71

	Group 27 April 2018 £000	Group 28 April 2017 £000	**Company 27 April 2018 £000**	Company 28 April 2017 £000
Shortfall/(excess) of taxation allowances over depreciation on fixed assets	**(819)**	(917)	**85**	63
Other timing differences	**(304)**	(312)	**12**	8
	(1,123)	(1,229)	**97**	71

26. Share capital

	27 April 2018 £000	28 April 2017 £000
Allotted, called up and fully paid		
62,630,720 Ordinary shares of £0.02 each	**1,253**	1,253

At 27 April 2018, 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 October 2009	**20,000**	**30/10/2012**	**31/10/2019**	**0.864**
30 September 2011	**93,170**	**30/09/2014**	**30/09/2021**	**0.700**
26 September 2012	**105,642**	**27/09/2015**	**27/09/2022**	**0.505**
29 November 2013	**146,447**	**29/11/2016**	**30/11/2023**	**0.687**
16 January 2015	**124,755**	**16/01/2018**	**16/01/2025**	**0.934**
13 January 2016	**452,069**	**13/01/2019**	**13/01/2026**	**1.100**
19 September 2017	**410,387**	**19/09/2020**	**20/09/2027**	**0.840**
	1,352,470			

Fresca Group Limited Unapproved and Supplementary Share Option Scheme

	Number of shares	**Vesting date**	**Expiry date**	**Exercise price (per share)**
30 September 2011	**41,830**	**30/9/2014**	**30/09/2021**	**0.700**
26 September 2012	**124,358**	**27/09/2015**	**27/09/2022**	**0.505**
29 November 2013	**833,553**	**29/11/2016**	**30/11/2023**	**0.687**
16 January 2015	**1,815,245**	**16/01/2018**	**16/01/2025**	**0.934**
13 January 2016	**1,717,931**	**13/01/2019**	**13/01/2026**	**1.100**
19 September 2017	**2,439,613**	**19/09/2020**	**20/09/2027**	**0.840**
	6,972,530			

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

	27 April 2018 £000
Underlying price	**62.0p**
Exercise price	**90.0p**
Vesting period (years)	**3**
Expected volatility	**28.27%**
Expected life (years)	**4.02**
Risk-free interest rate	**1.81%**
Dividend yield	**3.61%**
Weighted average fair value per option	**34.5p**

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.

27. Share based payment (continued)

	27 April 2018 No. of share options	27 April 2018 Weighted average exercise price (£)	28 April 2017 No. of share options	28 April 2017 Weighted average exercise price (£)
Opening balance	**6,115,000**	**0.929**	**8,070,360**	**0.870**
Granted during the year	**2,850,000**	**0.840**	**-**	**-**
Lapsed during the year	**(490,000)**	**0.998**	**(86,667)**	**1.030**
Exercised during the year	**(150,000)**	**0.626**	**(1,868,693)**	**0.631**
Closing balance	**8,325,000**	**0.907**	**6,115,000**	**0.929**

3,305,000 share options were exercisable at the year end at a weighted average exercise price of £0.811 (2017: 1,635,000 options at a price of £0.662)

Prior period amounts have been restated to more accurately report the movement in options.

28. Share bonus scheme

Fresca Group Limited has previously operated a scheme by which certain of its employees and those of its subsidiaries are invited to set aside part of their annual bonus to be converted into ordinary shares. These shares have a vesting period of three years and the company awards participating employees one matching share for each two shares purchased under this method. Until the shares are vested they remain within the Fresca ESOP, at the absolute discretion of the Trustees thereof, “earmarked” for the individual employees who are therefore not entitled to dividends on shares before removal from the trust.

The movement in shares earmarked for employees under the Share Bonus Scheme during the year is as follows:

	2018 Number of earmarked shares	2018 Weighted average exercise price (£)	2017 Number of earmarked shares	2017 Weighted average exercise price (£)
Outstanding at 29 April 2016	**-**	**-**	**29,325**	**0.924**
Lapsed during the year	**-**	**-**	**-**	**-**
Exercised during the year	**-**	**-**	**(29,325)**	**(0.924)**
Outstanding & Exercisable at 28 April 2017			**-**	

The fair value per matching share under the Share Bonus Scheme has been assessed by the directors as not significantly different to the market value per share at the date of award of the bonus.

At 27 April 2018, the share options outstanding had a weighted average remaining contractual life of Nil years (2017: Nil years).

29. 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 Christopher Mack (Chairman), Simon Hodson, Elizabeth McMeikan and Brett Sumner.

Shares held by the ESOP are to be distributed to beneficiaries under the Fresca Group Limited Share Bonus Scheme, with the issue of a “matching” share, for every two “bonus” shares, being earmarked for distribution dependent on the amount of annual bonus entitlement waived by each individual. Before April 2004, the ESOP allocation of the “matching” shares it issued under the scheme was one “matching” share for every one “bonus” share allocated under the scheme. The ESOP is also 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 27 April 2018, the ESOP controlled 25,610,130 (2017: 24,800,534) 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.

30. 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.
- ESOP shares 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.

31. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £0.1 million (2017: £0.6 million) for the Group. The company had no capital commitments (2017: £nil).

32. 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 charge in the profit and loss account represents contributions payable by the Group to the funds and amounted to £1,346,000 (2017: £1,177,000). At 27 April 2018, contributions amounting to £37,000 (2017: £150,000) were payable to the funds and are included within creditors.

33. Commitments under operating leases

At 27 April 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	**27 April 2018 £000**	28 April 2017 £000
Within 1 year	**1,287**	644
Within 2 to 5 years	**3,765**	3,246
Later than 5 years	**5,076**	5,006
	10,128	8,896

	27 April 2018 £000	28 April 2017 £000
Company		
Within 1 year	**11**	24
Within 2 to 5 years	**30**	4
	41	28

34. Guarantees

As at 27 April 2018, the company had guaranteed bank borrowings of £Nil (2017: £2.9 million) within its joint venture companies.

35. Foreign Exchange Contracts

At 27 April 2018 the Group had entered into forward foreign exchange purchase contracts totalling £29.2m (2017: £33.1m).

36. 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, MM Global Citrus Limited and Thanet Earth Holdings Limited, 40% of the ordinary share capital in the associate Wallings 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 £12.5 million (2017: £16.6 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 £51,000 for the year (2017: £51,000), and the value of assets leased to associate and joint venture companies is £304,000 (2017: £304,000) 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 £1.8 million (2017: £1.2 million). The group of companies headed by Fresca Group Limited also provided further funding of £Nil (2017: £230,000) during the year with a total interest charge of £Nil (2017: £2,000).

As at 27 April 2018, the associate and joint venture companies were owed £1,362,000 (2017: £149,000) by the group of companies headed by Fresca Group Limited and owed the group of companies £2.6 million (2017: £2.8 million).

Subsidiary undertakings

Wallings Property Limited is less than 100% owned by the group of companies. As at 27 April 2018, this company owed the group of companies headed by Fresca Group Limited £82,000 (2017: £165,000).

2018

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