

20

1

consolidated
financial
statements

16



Company registration No. 05307204

our business today



100% owned



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



Importer, packer, ripener and marketer of fresh produce. Based in Paddock Wood, Kent.



Grower of chicory, grower and supplier of vegetables, including 'niche' products: celeriac, fennel and artichokes.



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

Joint venture



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



Potatoes and vegetables - marketing and packing.



Partnership with Martinavarro, Spain's largest citrus grower. Growing, marketing and packing citrus. Source teams in Spain & South Africa.



Grower of speciality tomatoes at Thanet Earth. Production 52 weeks.



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

associate

associate

From the best in bananas to the perfect peach, the people in our business care about quality products and excellence in service. We're known across the marketplace for having great people who, since 1874, have built our reputation and our success.

A sector leader, Fresca Group has enjoyed significant growth in recent years. Whilst our roots stand firmly within the wholesale sector, our reach today extends right across the market.

Fresca businesses serve a broad customer base, from multiple retailers to cruise lines, caterers and foodservice operators. Our people help drive the fast pace of our market, seeking fresh opportunities and generating growth.

Sales
£434m

Net assets
£54m

Employees
785

our values





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board of directors



C P Mack (Chairman)



I A Craig



S J Hodson (Non-executive)



E McMeikan (Non-executive)



B G Sumner



N J Trood

Company Secretary

V Warner

Registered Office

The Fresh Produce Centre
Transfesa Road
Paddock Wood
Kent
TN12 6UT

Auditor

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

Solicitor

DAC Beachcroft LLP
100 Fetter Lane
London
EC4A 1BN

chairman's statement

Period from 25 April 2015 to 29 April 2016



The fresh produce industry has always been remarkably agile. Our people in particular have always been quick to react to change, moving to find solutions and opportunities from the challenges posed. That resilience, combined with flexibility and drive is going to be key to our success going forward.

In recent weeks we have seen unprecedented events in UK politics. I sit here watching momentous changes unfold, at a relentlessly quick pace. It appears to me that the UK and Europe now face a prolonged period of uncertainty as Brexit takes effect, with volatile economies and pessimistic predictions for growth. And yet I still feel very positive about the future for Fresca. I am pleased to be reporting a very successful year for the business, and I still see a clear path ahead of us.

Our company has grown significantly in recent years. Acquisitions, mergers and joint ventures have helped us to cover much more of the market with a greater reach of products, of customers and of locations. With growth inevitably comes some 'bumpy' moments, but the new ventures are maturing into their markets and flourishing.

I was able to report last year that Primafruit had agreed a revolutionary new long-term contract with Waitrose, taking this business into a sole supplier arrangement for key fresh produce areas. During our 2015/16 year this new contract came into force and the team were able to demonstrate exactly why Waitrose had the confidence in their abilities to deliver. Volumes at our Evesham site have now doubled. There were extremely complex transfers of business to manage, and a major building extension project to design and fulfil. I am enormously proud of everyone in the Primafruit team for their incredible achievements this year. Many congratulations to all for a tremendous result.

Another fast-paced year will follow for Primafruit, with more to be done to realise the full-potential of this new business relationship.

2016 marks 10 years since the creation of our joint venture potato and vegetable business, Manor Fresh. The team here continue to manage their unfailingly close customer relationships with a rare professionalism. On a personal level, I want to offer sincere congratulations to Mike Scott, the Managing Director at Manor Fresh. Mike was awarded an Associateship of the Royal Agricultural Societies in February 2016. This award is an acknowledgement of distinguished achievement in the agricultural industry, and is richly deserved.

Time certainly does seem to fly by these days, with 2017 marking the 10 year anniversary for another of our joint venture enterprises, MMG Citrus. The original vision we shared for MMG with our partner, Martinavarro, still holds firm today. This company was one of the first models of its kind, a streamlined vision for how grower, packer, marketer and logistics agent could work in genuine partnership to reduce cost and find that most efficient route to market. Our experience with MMG Citrus has informed the approach we have taken to opportunities in other product areas – working in partnership with large growers is an important part of our strategy for the future.

Among our 'younger' companies is Thanet Earth, the greenhouse development near Birchington in Kent. Again, a joint venture with our grower partners, Thanet Earth has grown to be the UK's leading production facility for its crops of speciality tomatoes, peppers and cucumbers. Our full vision for Thanet Earth has always been a development of seven large greenhouses on the site. I am very pleased indeed to confirm that our fifth greenhouse is currently under construction and will be operational early in 2017. This £13.5m greenhouse will be a cucumber production facility, seeking to address the decline in UK planted area for this crop and bringing fresh technology to the development. This will be the first cucumber greenhouse in the UK to feature "growlights" for added productivity.

Landmark anniversaries continue around Fresca; I note that 2015 was the 50th year for Mack trading at Birmingham market, and 2016 is the 80th year for Mack in Southampton. Our wholesale branch at Bristol is now beginning to see some much-needed improvement in facilities, and our branch in Birmingham is still patiently awaiting its now very overdue market site move. The patience will ultimately pay off, and we will work to ensure that this site has the facilities necessary for the branch to continue its success in the city.

We have welcomed Charles Rees as a new Managing Director for our Wholesale operations. He brings with him much energy and the experience of a lifetime in the markets. Charles succeeds Paul Butlin who retired in April after a remarkable thirty year career with Mack. During the year we also appointed our new Group Finance Director, Brett Sumner. Ambitious, creative and not afraid to challenge – Brett is a welcome addition to our board. Brett succeeds Mike Musk who retired in November. I want to offer my very grateful thanks to Paul and to Mike, and to wish them every happiness in retirement. They were unfailingly supportive colleagues who were instrumental in helping to devise and implement our successful strategy.



Charles Rees



Brett Sumner

The Mack business at Paddock Wood has once again performed strongly this year. Nigel Trood has implemented a fundamental restructure to drive teams by function rather than by product – and this is already proving its merit, developing our people as leaders and building more transferable skills in the teams. This business is now very able to manage fast-paced change, and has perhaps the strongest strategic direction I have come across in our market. Mack continues to work closely with DGM Growers, our Holbeach specialist vegetable business. Here the Board has agreed to invest in a significant programme of development and facility upgrade during 2016. DGM has a small but well-managed team who will all benefit from the new investment.

So, how do all these positive developments translate across into our results? In a recent evaluation exercise, we calculated that Fresca currently has around a 6.2% share of the UK fresh produce retail supply market. Our headline turnover figure has returned to a level we have not seen since around 2013, with £434m in sales during the year (up more than £50m from the £379m figure last year). I am pleased that in an era of particularly squeezed margins, we have been able to post a profit before tax of £8.26m. That figure is an increase of £885,000 on the 2014/15 pre-exceptional expense figure.

Every single part of our company is embracing new opportunities and new sales channels, looking to drive that opportunity from the market situation in which we operate. We are undoubtedly in uncertain times, but I am greatly reassured by the strength of the people and the pace of change in Fresca Group at every level. We will always adapt ourselves to the circumstances, and we will look to use our voice to push for developments that are positive and that work for our people – be they our shareholders, our employees, our growers or our customers. My thanks to all for another successful year.

Christopher Mack
July 2016

“Our full vision for Thanet Earth has always been a development of seven large greenhouses on the site. I am very pleased indeed to confirm that our fifth greenhouse is currently under construction and will be operational early in 2017”.

Chris Mack



strategic report

Period from 25 April 2015 to 29 April 2016



The Board maintained the position it set out in the Strategic Report in last year's Group Financial Statements with a strategic plan for each part of the business rooted in six key statements:

- Generate a sustainable and increasing shareholder value through focusing all of management's attention on being both a significant and the best supplier of fresh produce to our customers.
- Build long term partnerships with key customers, enabling the Group to provide them with the best possible product and service at the most competitive prices.
- Establish long term relationships with the best growers in the world, investing in production as and when appropriate.
- Attract, motivate, develop and reward dedicated, able and hardworking people into the Group at all levels.
- Invest in innovation in products, services and ways of working that set us apart from our competitors.
- Remain an independent business and share the financial success of the business with those who work in it.

We monitor the performance and direction of each business against these statements in conjunction with their strategic plan. Board members attend regular business reviews at the operating sites.

Performance review

In summary, every part of our business traded well during the year and performance across the Group has been good. Strong sales meant that turnover (including our share of joint ventures) increased by some 14.5% in comparison to last year, with a final figure of £434m. Pre tax profit rose to £8.26m, giving an increase of 11.6% in comparison to last year's profit figure (pre-exceptional expense) of £7.4m.

There are several significant factors behind the sales increase, including the transfer of business to Primafruit as the new Waitrose supply contract came into force, and Thanet Earth marketing the crop from another UK tomato grower, Cornerways Nursery.

We continue to operate in a market with deflationary pricing, with additional pressure on our operating costs including the transition to the National Living Wage in the UK and volatile foreign exchange markets. Understanding and managing our costs has been core practice for all our businesses, but not at the expense of the pursuit of new opportunities. For example, ever closer links with growers provide ways for us to add significant value to what we can bring our customers. We have also developed a sophisticated and streamlined approach to service provision, supporting the market as supply models mature.

The competition in the retail sector remains fierce, with major reviews of sourcing, efficiency, value and supply chain underway in many of our key customers. The outcome of these has the potential to impact our business in a very significant way. There is much at stake, but also much opportunity as we look to work in ever closer, more open partnerships with our customers.

The Board has supported the business growth with investment around our sites. At Evesham we completed a £6m building extension project to ensure that the people at Primafruit have a facility that is large enough and ideally equipped to manage their increased Waitrose volumes. Our activities at Thanet Earth will extend shortly with a new cucumber glasshouse in construction. Fresca is a 25% shareholder in this new glasshouse along with our grower partners. We also continue to support the upgrading of the business systems at our sites. This is an ongoing project with an estimated further 18 months to implement.



The extension of our facilities at Primafruit in Evesham is a significant development not only for our business and for Waitrose, but for the town itself. We have invested £6m in the new build; its opening marked with a celebration attended by the Mayor and Mayoress.

*Leah Francis, Receptionist
Denise Monaghan, Joint HR Manager
Mandy Smith, Assistant Account Manager
Sara Williams, CSR Technologist*



strategic report cont.

Period from 25 April 2015 to 29 April 2016

Environment

Environmental sustainability remains a core concern for the company. The drive to channel as much edible product as we can away from waste streams continues. Not only do we donate to foodbank organisations such as FareShare, but we have increased the number of other outlets we support including helping exciting young start-up businesses with supplies of product for processing.

We retain a strong emphasis on procurement excellence and on prevention of waste where possible. Assessment of how our waste originates is proving very helpful in the drive to reduce the figures yet further.

Risk and performance monitoring

The Board continues to manage the Group on a conservative basis, whilst being mindful of the opportunities the current economic climate may present.

The Directors manage the Group on a divisional basis, and therefore believe that key performance indicators for the company or the Group are not appropriate. The Board manage the risk of the Group's businesses in a similar way. Individual business unit performance targets are set to measure the progress of each unit. The principal ones are case volumes, turnover, gross margin and operating costs. Gross margin is measured down to case level to provide an enhanced level of detail and visibility.

Tender processes are a frequent feature and potential risk for many of our businesses. To manage and minimise this risk, we ensure that our companies remain close to our customers, we provide value-added services, and we maintain a spread of customers and a diversity of products. We have also placed an increasing focus on longer term contracts and partnership working models.

Importing significant volumes of fresh produce from abroad means that currency fluctuation represent a risk to our profitability. The Group manages this risk with the use of currency options and forward purchases as appropriate. Weather conditions and global political issues can also impact our ability to import from certain key sources. The Group manages this risk by ensuring that a spread of key suppliers and contingency source options around the world are maintained.

The credit risk to our companies is largely attributable to trade debtors, and to large UK retailers in the main. The Board therefore considers the risk from default as not high. Credit insurance helps us manage the risk of offering credit terms to smaller customers, payments are all monitored against the customers' terms of trade and strict credit control procedures are in place.

The Group's operations are financed by a mixture of retained profits, overdraft, a revolving credit facility and a number of longer term loans.

Our treasury function continues to monitor cash flow as part of our day to day control procedures. The Board considers the Group's cash flow on a monthly basis, ensuring that appropriate facilities are available to support activities.

Employee involvement

Regular meetings are held between employees and senior management, and briefings are held with various categories of employees. These meetings enable senior management to consult with employees and ascertain their views on matters in which they have a direct interest. The Group also has consultative committees at its principal locations, with members who are drawn from across the business.

The Group runs an all employee Share Incentive Plan to encourage employee ownership in the business.

The Group has a Pensions Steering Committee with membership drawn from a combination of board appointment and staff election process to ensure broad representation for pension scheme members in the administration of the company pension schemes.

All employees receive equal opportunities for training and career development.

Disabled employees

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

Ian Craig
Group Chief Executive

Approved by the Directors on 26 July 2016





The Directors have pleasure in presenting their report and the financial statements of the Group for the period from 25 April 2015 to 29 April 2016.

Principal activities

The principal activity of the Group remains the procurement, preparation, packing and supply of fresh produce to the retail, catering and wholesale markets. The Company's principal activity continues to be that of acting as a Group holding company.

Results and dividends

The trading results for the period and the Group's financial position at the end of the period are shown in the attached financial statements. Dividends of £1,402,928 were paid during the period (2015: £1,402,928) and the directors recommend a final dividend of 1.36p per share (2015: 1.36p per share).

Going concern

The directors have considered the status of the group as a going concern and are satisfied it will continue in business for the foreseeable future and that it is appropriate to prepare the financial statements on a going concern basis.

The directors

The Directors during the period, were as follows:

C P Mack
I A Craig
S J Hodson (non-executive)
E McMeikan (non-executive)
M J Musk (Resigned 30 November 2015)
N J Trood
B G Sumner (Appointed 18 January 2016)

Donations

During the period the group made the following contributions:

	29 April 2016	24 April 2015
	£	£
Charitable	<u>12,102</u>	<u>3,504</u>

The Group supports a number of local charities on a divisional basis.

The Group made no political donations in the period.

Qualifying third party indemnity provisions

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

Directors responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statement in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.



director's report cont.

Period from 25 April 2015 to 29 April 2016

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditor for the purposes of its audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

A resolution to re-appoint BDO LLP for the ensuing period will be proposed at the forthcoming annual general meeting.

Registered Office:

The Fresh Produce Centre
Transfesa Road
Paddock Wood
Kent
TN12 6UT

V Warner
Company Secretary

Approved by the Directors on 26 July 2016



auditor's report

Independent to the members
of Fresca Group Limited

We have audited the financial statements of Fresca Group Limited for the 53 week period from 25 April 2015 to 29 April 2016 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 29 April 2016 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

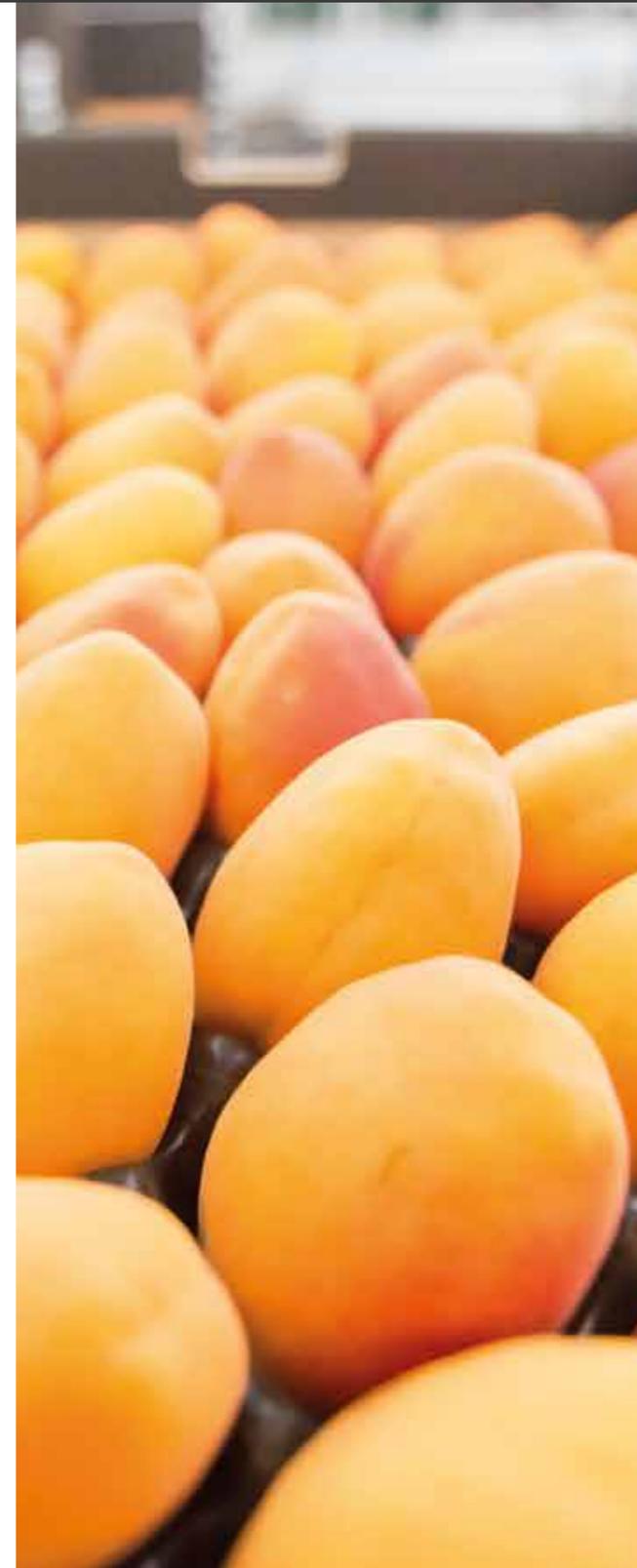
Matters on which we are required to report by exception

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

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

*Mr Kim Hayward (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton United Kingdom*

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



Members of our veg team at Mack Southampton.
From left to right: Steve Morgan, Kevin Murphy,
Nigel Tupper, Robert Murawski, John Halford and Steve Fleet
Combined length of service to the business – 78 years.



FRESCA GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

PERIOD FROM 25 April 2015 TO 29 April 2016

	Note	£000	29 Apr 16 £000	24 Apr 15 £000
TURNOVER	3			
Group and share of joint ventures		434,060		379,350
Less share of joint ventures		(109,492)		(101,255)
Group turnover			324,568	278,095
Cost of sales			(309,336)	(263,709)
GROSS PROFIT			15,232	14,386
Operating expenses		(9,458)		(8,988)
Exceptional operating expenses	8	-		(2,972)
Total net operating expenses			(9,458)	(11,960)
GROUP OPERATING PROFIT	4		5,774	2,426
Share of operating profit in joint ventures after amortisation of goodwill			2,807	2,295
Share of operating profit in associates			244	267
			8,825	4,988
Interest receivable	9		92	55
Interest payable	10		(659)	(642)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			8,258	4,401
Tax on profit on ordinary activities	11		(1,494)	(1,198)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			6,764	3,203

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

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PERIOD FROM 25 April 2015 TO 29 April 2016

	29 Apr 16 £000	24 Apr 15 £000
Profit for the financial period	6,764	3,203
Movement on cash flow hedge	(6)	185
Deferred tax movement on derivative financial instruments	2	37
Other comprehensive income for the year	(4)	222
Total comprehensive income for the year	6,760	3,425
Profit for the financial year attributable to:		
Non-controlling interest	8	8
Owners of the parent company	6,756	3,195
	6,764	3,203
Total comprehensive income attributable to:		
Non-controlling interest	8	8
Owners of the parent company	6,752	3,417
	6,760	3,425

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED BALANCE SHEET

	Note	29 Apr 16 £000	24 Apr 15 £000
FIXED ASSETS			
Intangible assets	14	314	425
Tangible assets	15	40,248	33,643
Investments in joint ventures	16		
Goodwill		3,315	3,649
Share of gross assets		24,947	12,532
Share of gross liabilities		(21,280)	(10,081)
		<u>6,982</u>	<u>6,100</u>
Investments in associates	16	2,632	2,515
Other investments	16	25	11
		<u>9,639</u>	<u>8,626</u>
		50,201	42,694
CURRENT ASSETS			
Stocks	17	10,200	8,036
Debtors	18	43,110	34,540
Cash at bank		2,799	3,853
		<u>56,109</u>	<u>46,429</u>
CREDITORS: Amounts falling due within one year	19	(44,393)	(33,898)
NET CURRENT ASSETS		11,716	12,531
TOTAL ASSETS LESS CURRENT LIABILITIES		61,917	55,225
CREDITORS: Amounts falling due after more than one year	20	(6,960)	(3,329)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	22	(1,303)	(1,141)
Share of net liabilities of joint venture		-	(151)
		<u>53,654</u>	<u>50,604</u>
NET ASSETS		53,654	50,604
CAPITAL AND RESERVES			
Called-up equity share capital		1,253	1,253
Revaluation reserve		69	72
Merger reserve		2,618	2,618
Profit and loss account		73,523	67,480
Hedge reserve		(57)	(53)
		<u>77,406</u>	<u>71,370</u>
ESOP shares		(23,851)	(20,857)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		53,555	50,513
NON-CONTROLLING INTERESTS		99	91
		<u>53,654</u>	<u>50,604</u>

These financial statements were approved and authorised for issue by the board of directors on 26 July 2016 and are signed on their behalf by:

C P Mack - Director

B G Sumner - Director

Company registration number: 05307204

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

COMPANY BALANCE SHEET

	Note	£000	29 Apr 16 £000	24 Apr 15 £000
FIXED ASSETS				
Tangible assets	15	38		45
Investments	16	12,665		12,469
			12,703	12,514
CURRENT ASSETS				
Debtors	18	24,812		25,786
Cash at bank		2,234		2,815
		27,046		28,601
CREDITORS: Amounts falling due within one year	19	(31,988)		(28,074)
NET CURRENT (LIABILITIES)/ASSETS			(4,942)	527
TOTAL ASSETS LESS CURRENT LIABILITIES			7,761	13,041
CREDITORS: Amounts falling due after more than one year	20		(180)	(540)
NET ASSETS			7,581	12,501
CAPITAL AND RESERVES				
Called-up equity share capital			1,253	1,253
Profit and loss account			30,179	32,105
			31,432	33,358
ESOP shares			(23,851)	(20,857)
SHAREHOLDERS' FUNDS			7,581	12,501

These financial statements were approved and authorised for issue by the board of directors on 26 July 2016 and are signed on their behalf by:

C P Mack
Director

B G Sumner
Director

Company registration number: 05307204

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIOD FROM 25 April 2015 TO 29 April 2016

	Share capital £000	Revaluation reserve £000	ESOP share reserve £000	Hedge reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to the owners of the parent company £000	Non-controlling interests £000	Total equity £000
25 April 2015	1,253	72	(20,857)	(53)	2,618	67,480	50,513	91	50,604
Comprehensive income for the year									
Profit for the year	-	-	-	-	-	6,756	6,756	8	6,764
Movement in cash flow hedges	-	-	-	(6)	-	-	(6)	-	(6)
Taxation in respect of other comprehensive income	-	-	-	2	-	-	2	-	2
Other comprehensive income for the year	-	-	-	(4)	-	-	(4)	-	(4)
Total comprehensive income for the year	-	-	-	(4)	-	6,756	6,752	8	6,760
Contributions by and distributions to owners									
Dividends	-	-	-	-	-	(899)	(899)	-	(899)
Share based payment credit	-	-	-	-	-	183	183	-	183
Purchase of shares by ESOP	-	-	(7,153)	-	-	-	(7,153)	-	(7,153)
Exercise of share options	-	-	4,159	-	-	-	4,159	-	4,159
Transfer out of revaluation reserve	-	(3)	-	-	-	3	-	-	-
Total contributions by and distributions to owners	-	(3)	(2,994)	(4)	-	6,043	3,042	8	3,050
29 April 2016	1,253	69	(23,851)	(57)	2,618	73,523	53,555	99	53,654

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIOD FROM 26 April 2014 TO 24 April 2015

	Share capital £000	Revaluation reserve £000	ESOP share reserve £000	Hedge reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to the owners of the parent company £000	Non-controlling interests £000	Total equity £000
26 April 2014	1,253	75	(19,174)	(275)	2,618	65,089	49,586	83	49,669
Comprehensive income for the year									
Profit for the year	-	-	-	-	-	3,195	3,195	8	3,203
Movement in cash flow hedges	-	-	-	185	-	-	185	-	185
Taxation in respect of other comprehensive income	-	-	-	37	-	-	37	-	37
Other comprehensive income for the year	-	-	-	222	-	-	222	-	222
Total comprehensive income for the year	-	-	-	222	-	3,195	3,417	8	3,425
Contributions by and distributions to owners									
Dividends	-	-	-	-	-	(922)	(922)	-	(922)
Share based payment credit	-	-	-	-	-	115	115	-	115
Purchase of shares by ESOP	-	-	(4,444)	-	-	-	(4,444)	-	(4,444)
Exercise of share options	-	-	2,761	-	-	-	2,761	-	2,761
Transfer out of revaluation reserve	-	(3)	-	-	-	3	-	-	-
Total contributions by and distributions to owners	-	(3)	(1,683)	222	-	2,391	927	8	935
25 April 2015	1,253	72	(20,857)	(53)	2,618	67,480	50,513	91	50,604

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

PERIOD FROM 26 April 2014 TO 29 April 2016

	Share capital £000	ESOP share reserve £000	Profit and loss account £000	Total equity £000
26 April 2014	1,253	(19,174)	32,289	14,368
Comprehensive income for the year				
Profit for the period	-	-	623	623
Total comprehensive income for the period	-	-	623	623
Contributions by and distributions to owners				
Dividends	-	-	(922)	(922)
Share based payment credit	-	-	115	115
Purchase of shares by ESOP	-	(4,444)	-	(4,444)
Exercise of share options	-	2,761	-	2,761
Total contributions by and distributions to owners	-	(1,683)	(184)	(1,867)
24 April 2015	1,253	(20,857)	32,105	12,501
25 April 2015	1,253	(20,857)	32,105	12,501
Comprehensive income for the year				
(Loss) for the period	-	-	(1,210)	(1,210)
Total comprehensive income for the period	-	-	(1,210)	(1,210)
Contributions by and distributions to owners				
Dividends	-	-	(899)	(899)
Share based payment credit	-	-	183	183
Purchase of shares by ESOP	-	(7,153)	-	(7,153)
Exercise of share options	-	4,159	-	4,159
Total contributions by and distributions to owners	-	(2,994)	(1,926)	(4,920)
29 April 2016	1,253	(23,851)	30,179	7,581

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED CASHFLOW STATEMENT

PERIOD FROM 25 April 2015 TO 29 April 2016

	2016 £000	2015 £000
<i>Cash flows from operating activities</i>		
Profit for the financial year	6,764	3,203
Adjustments for:		
Depreciation, impairment and amortisation of fixed assets	2,517	2,637
Share of profit for the year of equity accounted investments	(3,051)	(2,562)
Net interest payable/(receivable)	567	587
Taxation expense	1,494	1,198
Share based payment charges	183	115
Decrease/(increase) in trade and other debtors	(8,518)	3,864
Decrease/(increase) in stocks	(2,164)	788
Increase/(decrease) in trade and other creditors	9,530	(4,606)
Profit on disposal	26	2,839
Cash from operations	7,348	8,063
Interest paid	(383)	(299)
Taxation paid	(797)	(1,374)
<i>Net cash generated from operating activities</i>	6,168	6,390
<i>Cash flows from investing activities</i>		
Proceeds from sale of tangible fixed assets	65	380
Purchases of tangible fixed assets	(7,845)	(4,338)
Interest received	45	41
Proceeds from sale of share in joint venture	250	-
Dividends received from joint ventures	750	1,000
<i>Net cash from investing activities</i>	(6,735)	(2,917)
<i>Cash flows from financing activities</i>		
Capital element of lease repaid	(480)	(532)
Equity dividends paid	(899)	(922)
New bank loans	4,520	1,439
Repayment of bank loans	(634)	(1,860)
Purchase of own shares by ESOP	(2,994)	(1,683)
<i>Net cash used in financing activities</i>	(487)	(3,558)
Net increase/(decrease) in cash and cash equivalents	(1,054)	(85)
Cash and cash equivalents at beginning of year	3,853	3,938
Cash and cash equivalents at end of year	2,799	3,853
Cash and cash equivalents comprise:		
Cash at bank and in hand	2,799	3,853
Bank overdrafts	-	-
	2,799	3,853

The notes on pages 34 to 57 form part of these financial statements.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006. Fresca Group Limited did not apply this standard to earlier periods so are presenting these financial statements in accordance with the new standard for the first time. Information of the impact of first time adoption of FRS 102 is given in note 31.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain freehold properties, and the recognition of certain financial assets and liabilities measured at fair value.

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:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has 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.

(c) 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.

(d) 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 of such undertakings based on audited financial statements, or management accounts where these are not available. In the consolidated balance sheet, the interests in associated undertakings are shown as 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.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

1. ACCOUNTING POLICIES (*continued*)

(e) 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.

(f) Turnover

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 the customers, whether or not they are received by the customer in the period. Turnover is stated net of VAT and trade discounts.

(g) 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

(h) Fixed assets

All fixed assets are initially recorded at cost.

(i) Depreciation

Depreciation is calculated so as to write off the cost of an asset, except land, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold and Long Leasehold Property	- 50 years
Short Leasehold Property	- over the remaining period of the lease
Plant & Machinery	- between 2 and 15 years
Fixtures & Fittings	- between 2 and 15 years
Motor Vehicles	- 4 years

The Group's freehold and leasehold properties were revalued in 1993, on the basis set out in note 15.

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

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

1. ACCOUNTING POLICIES (*continued*)

(j) 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.

(k) Leases

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.

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.

Group as lessor

Where assets are the subject of finance lease agreements to lessees, a debtor representing the amount of capital outstanding is recognised on the balance sheet. Lease payments receivable are apportioned between repayments of capital and interest so as to give a constant periodic rate of return on the net cash investment in the lease.

(l) Pension costs

Defined contribution scheme

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

(m) Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred. Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

1. ACCOUNTING POLICIES (*continued*)

(n) Foreign currencies

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.

(o) 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.

(p) Cost of sales

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

(q) Share-based payment

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 in accordance with Financial Reporting Standard No.102 "Share-based payment". The fair value is measured at the date of grant and spread over the period 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 in accordance with Financial Reporting Standard No.102 "Share-based payment". 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.

(r) 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.

(s) Hedge accounting

The group has entered into variable to fixed rate interest swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. The group has entered 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 period.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

1. ACCOUNTING POLICIES (*continued*)

(t) Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- Determine 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.
- Determine 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.
- Determine 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 (see note 15)

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 (see notes 16)

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

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

3. TURNOVER

Turnover is all in respect of the Group's principal activities of sourcing, marketing, packaging and selling fresh fruit and vegetables. £323 million of the Group's turnover arose within the UK (2015: £276 million) and sales to Europe were £0.5m (2015: £1.4m), and to non European countries £0.6m (2015: £0.7m).

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	29 Apr 16	24 Apr 15
	£000	£000
Amortisation of goodwill	35	35
Depreciation of owned fixed assets	2,171	2,385
Depreciation of assets held under hire purchase contracts	311	216
Exceptional operating costs (note 8)	-	2,972
Profit on disposal of fixed assets	(26)	(4)
Inventory expensed during the period	309,336	263,709
Exchange differences	289	(187)
Operating lease costs	2,053	1,544
	<u><u> </u></u>	<u><u> </u></u>

5. ANALYSIS OF AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	29 Apr 16	24 Apr 15
	£000	£000
Fees payable to the company's auditor for the audit of the consolidated financial statements	8	10
Fees payable to the company's auditor for the audit of the company's subsidiaries	85	88
(Over) accrual in respect of prior period fees	(4)	-
Total audit fees	<u>89</u>	<u>98</u>
Tax advisory services	8	-
Tax compliance services	23	24
Other services	2	1
Total non-audit fees	<u>33</u>	<u>25</u>
Total fees payable	<u><u>122</u></u>	<u><u>123</u></u>

6. PARTICULARS OF EMPLOYEES

The average number of staff employed by the Group during the financial period amounted to:

	29 Apr 16	24 Apr 15
	No	No
Distribution staff	629	587
Administrative staff	156	163
	<u>785</u>	<u>750</u>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

6. PARTICULARS OF EMPLOYEES (continued)

The aggregate payroll costs of the group staff were:

	29 Apr 16	24 Apr 15
	£000	£000
Wages and salaries	26,480	24,946
Social security costs	2,783	2,538
Share based payment	243	165
Other pension costs	1,194	1,151
	<u>30,700</u>	<u>28,800</u>

Included within the share based payment figures above is £74,000 (2015: £56,000) in respect of the charge for matching shares under the group's Share Incentive Plan.

7. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS

The directors' aggregate emoluments including pension contributions, in respect of qualifying services, were:

	29 Apr 16	24 Apr 15
	£000	£000
Emoluments receivable	1,853	1,749
Value of group pension contributions to defined contribution schemes	96	98
Amounts paid to third parties for the services of directors	62	62
	<u>2,012</u>	<u>1,909</u>

Emoluments of highest paid director:

	29 Apr 16	24 Apr 15
	£000	£000
Total emoluments (excluding pension contributions)	560	530
Value of group pension contributions to defined contribution schemes	37	39
	<u>597</u>	<u>569</u>

The number of directors who accrued benefits under group pension schemes during the period was as follows:

	29 Apr 16	24 Apr 15
	No	No
Defined contribution schemes	<u>5</u>	<u>4</u>

During the period three directors exercised share options (2015: two).

Key management compensation:

	29 Apr 16	24 Apr 15
	£000	£000
Salaries and other short term benefits	4,787	4,691
Value of group pension contributions to money purchase schemes	387	357
Share based payments	123	94
	<u>5,297</u>	<u>5,142</u>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

8. EXCEPTIONAL OPERATING EXPENSES

In the prior year this related to the write-off of the group's investment in a replacement ERP System.

9. INTEREST RECEIVABLE

	29 Apr 16	24 Apr 15
	£000	£000
Group bank interest receivable	30	9
Other group interest	16	32
Share of joint ventures' interest receivable	45	13
Share of associate's interest receivable	1	1
	<u>92</u>	<u>55</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	29 Apr 16	24 Apr 15
	£000	£000
Group interest payable on bank borrowing	203	182
Group interest payable on hire purchase contracts	180	117
Share of joint ventures' interest payable	178	228
Share of associate's interest payable	98	115
	<u>659</u>	<u>642</u>

11. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	29 Apr 16	24 Apr 15
	£000	£000
Current tax:		
In respect of the period:		
UK corporation tax based on the results for the period at 20% (2015: 21%)	741	670
Over provision in prior period	(238)	(28)
	<u>503</u>	<u>642</u>
Foreign tax	13	-
Tax in respect of ESOP	142	134
	<u>658</u>	<u>776</u>
Deferred tax:		
Origination and reversal of timing differences	(56)	(200)
Effect of rate change on closing liability	-	8
Under provision in prior period	219	24
	<u>163</u>	<u>(168)</u>
Total deferred tax (note 22)	163	(168)
Other tax:		
Share of joint ventures' tax charge	642	533
Share of associate's tax charge	31	57
	<u>1,494</u>	<u>1,198</u>
Tax on profit on ordinary activities	<u>1,494</u>	<u>1,198</u>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

11. TAXATION ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than (2015: is higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	29 Apr 16	24 Apr 15
	£000	£000
Profit on ordinary activities before taxation	8,258	4,401
Share of joint ventures' (profit) before taxation	(2,674)	(2,080)
Share of associate's (profit) before taxation	(147)	(153)
	5,437	2,168
Profit on ordinary activities at standard rate of tax	1,087	455
Expenses not deductible for tax purposes	259	225
Amortisation of goodwill not deductible for tax purposes	3	2
Exercise of share options	(335)	(106)
Additional rate of tax in respect of ESOP	39	56
Adjustments to current tax charge in respect of previous periods	(238)	(28)
Adjustments to deferred tax charge in respect of previous periods	219	24
Marginal rates	-	-
Non-taxable income	(103)	(8)
Different tax rate on current tax	-	(3)
Different tax rate on deferred tax	(107)	9
Fair value movement on derivatives	(3)	-
Rolled over gains	-	(18)
Share of joint ventures' tax charge	642	533
Share of associate's tax charge	31	57
Group current tax	1,494	1,198

12. PROFIT ATTRIBUTABLE TO THE MEMBERS OF FRESCA GROUP LIMITED

The loss recorded in the accounts of Fresca Group Limited for the period ended 29 April 2016 was £1,287,000 (2015: Profit of £623,000).

13. DIVIDENDS

The following dividends have been paid in respect of the period:

	29 Apr 16	24 Apr 15
	£000	£000
Final dividend in respect of previous year 1.36p (2015: 1.36p) on 62,630,720 (2015: 62,630,720) 2p Ordinary Shares	852	852
Interim dividend in respect of current year 0.88p (2015: 0.88p) on 62,630,720 (2015: 62,630,720) 2p Ordinary Shares	551	551
Dividend income received by ESOP	(504)	(481)
	899	922

A final dividend of 1.36p per share is proposed (2015: 1.36p per share). This is not included in the above figures in accordance with Financial Reporting Standard 102.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

14. INTANGIBLE FIXED ASSETS

Group	Negative goodwill £000	Goodwill £000	Other Intangible assets £000	Total £000
COST				
At 24 April 2015	(144)	5,974	4	5,834
Disposals	-	(76)	-	(76)
At 29 April 2016	(144)	5,898	4	5,758
AMORTISATION				
At 24 April 2015	(144)	5,549	4	5,409
Charge for the period	-	35	-	35
At 29 April 2016	(144)	5,584	4	5,444
NET BOOK VALUE				
At 29 April 2016	-	314	-	314
At 24 April 2015	-	425	-	425

15. TANGIBLE FIXED ASSETS

Group	Land & buildings £000	Assets in the course of construction £000	Plant & machinery £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
COST OR VALUATION						
At 24 April 2015	25,140	8,655	24,398	12,119	851	71,163
Additions	38	5,255	2,167	1,499	146	9,105
Disposals	-	-	(490)	(881)	(282)	(1,653)
At 29 April 2016	25,178	13,910	26,075	12,737	715	78,615
DEPRECIATION						
At 24 April 2015	6,743	-	20,291	9,861	625	37,520
Charge for the period	459	-	1,236	663	124	2,482
Disposals	-	-	(488)	(876)	(271)	(1,653)
At 29 April 2016	7,202	-	21,039	9,648	478	38,367
NET BOOK VALUE						
At 29 April 2016	17,976	13,910	5,036	3,089	237	40,248
At 24 April 2015	18,397	8,655	4,107	2,258	226	33,643

The net book value of fixed assets of £29.8 million (2015: £33.6 million) includes an amount of £1.9 million (2015: £1.0 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 (2015: £0.4m) the fair value has been reviewed based on evidence for similar land sold in the local area.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

15. TANGIBLE FIXED ASSETS (continued)

LAND AND BUILDINGS

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

The net book value of land and buildings comprises

	29 Apr 16	24 Apr 15
	£000	£000
Freehold land	4,368	4,368
Freehold buildings	11,733	12,027
Long leasehold properties (over 50 years)	1,847	1,995
Short Leasehold properties	28	7
	<u>17,976</u>	<u>18,397</u>

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

	29 Apr 16	24 Apr 15
	£000	£000
Net book value at end of period	<u>17,972</u>	<u>18,393</u>
Historical cost	<u>22,674</u>	<u>22,636</u>
Depreciation	<u>7,224</u>	<u>6,773</u>
Historical cost net book value at end of period	<u>15,450</u>	<u>15,863</u>

Company

	Land & buildings £000	Plant & machinery £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
COST OR VALUATION					
At 24 April 2015	28	-	126	-	154
Additions	-	-	13	-	13
Disposals	-	-	-	-	-
At 29 April 2016	<u>28</u>	<u>-</u>	<u>139</u>	<u>-</u>	<u>167</u>
DEPRECIATION					
At 24 April 2015	28	-	81	-	109
Charge for the period	-	-	20	-	20
Disposals	-	-	-	-	-
At 29 April 2016	<u>28</u>	<u>-</u>	<u>101</u>	<u>-</u>	<u>129</u>
NET BOOK VALUE					
At 29 April 2016	<u>-</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>38</u>
At 24 April 2015	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>	<u>45</u>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

16. INVESTMENTS

Group	Investments in joint ventures £000	Investments in associates £000	Other investments £000	Total £000
COST				
As at 24 April 2015	12,167	2,515	11	14,593
Additions	-	117	14	131
Disposals	(250)	-	-	(250)
Share of retained profits	1,215	-	-	1,315
As at 29 April 2016	13,132	2,632	11	15,789
AMOUNTS PROVIDED				
As at 24 April 2015	6,066	-	-	6,066
Charge for the period	84	-	-	84
Disposals	-	-	-	-
As at 29 April 2016	6,150	-	-	6,150
NET BOOK VALUE				
As at 29 April 2016	6,982	2,632	25	9,639
As at 24 April 2015	6,001	2,515	11	8,527

The group's share of the profit (2015: profit) before tax and taxation charge of the joint ventures during the period was £2,807,000 (2015: £2,323,000) and £641,000 (2015: £534,000) respectively. In addition, dividends of £750,000 (2015: £1,000,000) were paid by the joint venture companies during the period.

Company	Investments in joint ventures £000	Investments in associates £000	Shares in subsidiary undertakings £000	Total £000
COST				
As at 24 April 2015	5,843	1,004	5,622	12,469
Share based payment	-	-	196	196
Disposals	-	-	-	-
As at 29 April 2016	5,843	1,004	5,818	12,665
AMOUNTS PROVIDED				
As at 24 April 2015	-	-	-	-
Disposals	-	-	-	-
As at 29 April 2016	-	-	-	-
NET BOOK VALUE				
As at 29 April 2016	5,843	1,004	5,818	12,665
As at 24 April 2015	5,843	1,004	5,622	12,469

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

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

16. INVESTMENTS (continued)

Subsidiary undertakings

The company's subsidiary undertakings are as follows:

	Country of incorporation	Class of shares	% held	Nature of business
Fresca Development Limited	England	Ordinary	100%	Construction
Fresca Development Property Limited	England	Ordinary	100%	Property leasing
Fresca Spain SL	Spain	Ordinary	100%	Technical and quality assurance services
M&W Mack Limited	England	Ordinary	100%	Sourcing, marketing, packaging and selling of fresh fruit and vegetables
M&W Mack Trustees Limited*	England	Ordinary	100%	Pension Trustee
Primafruit Limited	England	Ordinary	100%	Sourcing, marketing and selling of fresh fruit
Primafruit SA (Proprietary) Limited*	South Africa	Ordinary	100%	Dormant
Thanet Earth Limited	England	Ordinary	100%	Site development
Thanet Growers Three Limited*	England	Ordinary	100%	Site development
Thanet Growers Six Limited*	England	Ordinary	100%	Site development
Thanet Growers Seven Limited*	England	Ordinary	100%	Site development
The Fresca ESOP Limited*	England	Ordinary	100%	Corporate Trustee
Valefresh Limited*	England	Ordinary	100%	Facilities management and packing of fresh produce
Wallings Property Limited	England	Ordinary	75%	Leasing of land and tangible fixed assets
Cherrylink Growers Limited	England	Ordinary	100%	Dormant
Cartama UK Limited	England	Ordinary	100%	Dormant

* Held indirectly through subsidiary undertaking.

Associates and joint ventures

	Country of incorporation	Class of shares	% held	Nature of business
Custom Plum Company Limited	England	Ordinary	50%	Group engaged in marketing of fruit
MM Global Citrus Limited	England	Ordinary	50%	Sourcing, marketing, and selling of citrus fruit
Manor Fresh Limited	England	Ordinary	50%	Sourcing, marketing, packaging and selling of potatoes and vegetables
Thanet Energy Limited	England	Ordinary	43%	Electrical infrastructure
Thanet Growers Eight Limited	England	Ordinary	50%	Group engaged in procurement, packing and sale of salad products
TG1 Holdings Limited	England	Ordinary	25%	Group engaged in growing of vegetables

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

16. INVESTMENTS (continued)

At the period end, the Group's interest in joint ventures was as follows:

	29 Apr 16	24 Apr 15
	£000	£000
Tangible fixed assets	6,311	7,217
Current assets	18,687	16,467
	<hr/>	<hr/>
Share of gross assets	24,998	23,684
Share of creditors falling due within one year	(19,490)	(20,172)
Share of creditors falling due in more than one year	(1,841)	(1,113)
	<hr/>	<hr/>
Share of joint ventures' net assets	3,667	2,399
Goodwill	3,315	3,649
	<hr/>	<hr/>
	6,982	6,048
	<hr/> <hr/>	<hr/> <hr/>

Associated Undertakings

Fresca Group Limited owns 40% of the issued ordinary share capital of Wallings Holdings Limited, a company incorporated in England. Fresca Group Limited also owns 100% of the deferred share capital in Wallings Holdings Limited, which does not carry any voting rights. Thanet Earth Limited owns 25% of the ordinary share capital of TG1 Holdings Limited, a company incorporated in England. The Group also owns 43% of Thanet Energy Limited, a company incorporated in England.

17. STOCKS

	Group	
	29 Apr 16	24 Apr 15
	£000	£000
Raw materials and consumables	10,200	8,036
	<hr/> <hr/>	<hr/> <hr/>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

18. DEBTORS

Amounts falling due within one year	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
Trade debtors	33,335	24,145	-	1
Amounts owed by group undertakings	-	-	22,634	24,315
Amounts owed by joint ventures and associated undertakings	2,363	1,607	412	223
Corporation tax	52	-	762	251
Other debtors	3,594	4,138	771	766
Assets held for resale	161	1,709	-	-
Prepayments and accrued income	3,605	2,941	154	128
Deferred taxation (see below)	-	-	79	102
	<u>43,110</u>	<u>34,540</u>	<u>24,812</u>	<u>25,786</u>

Deferred taxation

	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
Excess of depreciation over taxation allowances on fixed assets	-	-	100	100
Other timing differences	-	-	(21)	2
	<u>-</u>	<u>-</u>	<u>79</u>	<u>102</u>

19. CREDITORS: Amounts falling due within one year

	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
Bank loans and overdrafts	2,058	1,184	3,714	6,693
Trade creditors	31,766	20,795	1,521	982
Amounts owed to group undertakings	-	-	24,768	18,778
Amounts owed to joint ventures and associated undertakings	243	291	-	-
Other taxes and social security costs	816	2,010	567	357
Corporation tax	-	91	-	-
Other creditors	9,019	9,212	1,418	1,264
Amounts payable under hire purchase contracts	491	315	-	-
	<u>44,393</u>	<u>33,898</u>	<u>31,988</u>	<u>28,074</u>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

20. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
Bank loans	6,022	3,010	180	540
Amounts payable under hire purchase contracts	938	319	-	-
	<u>6,960</u>	<u>3,329</u>	<u>180</u>	<u>540</u>
Amounts payable under hire purchase contracts				
Due in less than one year	491	315	-	-
In more than one year, but less than five years	938	1319	-	-
	<u>1,429</u>	<u>634</u>	<u>-</u>	<u>-</u>

Bank loans

As at 29 April 2016, there was a fixed term loan outstanding and a draw down from the group's short-term revolving loan 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 to fund its investment in TG1 Holdings Ltd joint venture. This bank loan is secured on certain group land and buildings and has a term of five years. The loan carries a rate of interest of three month LIBOR plus 3%.

(b) Fresca Group Limited revolving loan facility

Fresca Group Limited renewed its revolving loan facility of £8 million on 17 May 2015. Drawdowns carry interest at the rate of three month LIBOR plus 2%. Undrawn monies within the facility attract interest at the rate of 1%. There was no balance drawn down under this facility as at 29 April 2016 (2015: £nil).

(c) M&W Mack Limited fixed term loan

M&W Mack Limited had a loan facility of £5.9 million agreed by Lloyds Bank to fund the acquisition and development of the group's new ERP system in July 2014. The bank loan is secured on certain group land and buildings and had a term of 6 years from 2 July 2014. The loan carries a rate of interest of base rate plus 3%. At the period end the drawn down balance of the loan was £3 million (2015: £3.3m).

(d) Fresca Development Limited fixed term loan

Fresca Development Limited had a loan facility of £6 million agreed by Lloyds Bank to fund the development of the Evesham site in November 2015. The bank loan is secured on certain group land and buildings and had a term of 5 years from 30 June 2016. The loan carries a rate of interest of base rate plus 2.5%. At the period end the drawn down balance of the loan was £4.5 million (2015: £nil).

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

20. CREDITORS: Amounts falling due after more than one year (continued)

	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
In one year or less, or on demand	2,058	1,184	3,714	6,693
In more than one year, but less than two years	2,078	1,618	180	360
In more than two years but less than five years	3,944	1,711	-	180
	<u>8,080</u>	<u>4,513</u>	<u>3,894</u>	<u>7,233</u>

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

21. FINANCIAL INSTRUMENTS

The group's and company's financial instruments may be analysed as follows:

	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
Financial assets				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost	42,091	33,743	26,051	28,120
	<u>42,091</u>	<u>33,743</u>	<u>26,051</u>	<u>28,120</u>
Financial liabilities				
Financial liabilities measured at amortised cost	50,486	35,081	31,601	28,257
Derivative financial instruments designated as hedges of variable interest rate risk	51	45	-	-
	<u>50,537</u>	<u>35,126</u>	<u>31,601</u>	<u>28,257</u>

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

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, finance leases, other creditors and accruals.

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 Strategic Report.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

22. DEFERRED TAXATION

The movement in the deferred taxation provision during the period was:

	Group		Company	
	29 Apr 16 £000	24 Apr 15 £000	29 Apr 16 £000	24 Apr 15 £000
Provision brought forward	1,141	1,346	-	-
(Decrease)/increase in provision	162	(205)	-	-
Deferred tax asset transferred to debtors	-	-	-	-
Provision carried forward	<u>1,303</u>	<u>1,141</u>	<u>-</u>	<u>-</u>
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	982	833	-	-
Other timing differences	321	308	-	-
	<u>1,303</u>	<u>1,141</u>	<u>-</u>	<u>-</u>

23. FINANCIAL COMMITMENTS

(a) Operating leases

At 29 April 2016 the group and company had the following minimum lease payments under non-cancellable operating leases as set out below.

Group	29 Apr 16 £000	24 Apr 15 £000
Operating leases which expire:		
Within 1 year	934	1,028
Within 2 to 5 years	2,891	2,574
In over 5 years	6,094	5,406
	<u>9,917</u>	<u>9,008</u>
	£000	£000
Company	29 Apr 16 £000	24 Apr 15 £000
Operating leases which expire:		
Within 1 year	16	12
Within 2 to 5 years	32	22
	<u>48</u>	<u>34</u>

(b) Guarantees

As at 29 April 2016, the company had guaranteed bank borrowings of £4.7 million (2015: £8.2 million) within its joint venture companies. It has also guaranteed the liabilities of an associated company up to a maximum of €nil million (2015: €1.4 million).

(c) Foreign Exchange Contracts

At 29 April 2016 the group had entered into forward foreign exchange purchase contracts totalling £4.8m (2015: £0.7m). There were options totalling US\$ nil (2015: US\$ 0.6m) and Euros €nil (2015: €0.3m) in place over the purchase of foreign currency.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

24. SHARE CAPITAL

Company

Allotted, called up and fully paid:

	29 Apr 16 and 24 Apr 15	
	No	£000
Ordinary shares of £0.02 each	62,630,720	1,253

At 29 April 2016, the following options were outstanding over 2p ordinary shares:

Fresca Group Limited Executive Share Option Scheme

Date granted	Number of shares	Exercise period	Exercise price
4 January 2008	32,858	4 Jan 2011 - 4 Jan 2018	£0.913 per share
30 October 2009	74,722	30 Oct 2012 - 30 Oct 2019	£0.864 per share
30 September 2011	163,170	30 Sep 2014 - 30 Sep 2021	£0.700 per share
26 September 2012	258,463	26 Sep 2015 - 26 Sep 2022	£0.505 per share
29 November 2013	329,080	29 Nov 2016 - 29 Nov 2023	£0.687 per share
16 January 2015	154,755	16 Jan 2018 - 16 Jan 2025	£0.934 per share
13 January 2016	537,930	13 Jan 2019 - 13 Jan 2026	£1.100 per share

Fresca Group Limited Unapproved Executive Share Option Scheme

	Number of shares	Exercise period	Exercise price
6 December 2006	360	6 Dec 2009 - 6 Dec 2016	£0.727 per share
4 January 2008	67,142	4 Jan 2011 - 4 Jan 2018	£0.913 per share
30 October 2009	278	30 Oct 2012 - 30 Oct 2019	£0.864 per share
30 September 2011	41,830	30 Sep 2014 - 30 Sep 2021	£0.700 per share
26 September 2012	606,537	26 Sep 2015 - 26 Sep 2022	£0.505 per share
29 November 2013	1,895,920	29 Nov 2016 - 29 Nov 2023	£0.687 per share
16 January 2015	1,975,245	16 Jan 2018 - 16 Jan 2025	£0.934 per share
13 January 2016	1,922,070	13 Jan 2019 - 13 Jan 2026	£1.100 per share

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

25. 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. Details of each scheme are given in note 22 above. 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

	29 Apr 16
Share price at grant date	110.0p
Exercise price	110.0p
Vesting period (years)	3
Expected volatility	30.62%
Expected life (years)	3.80
Risk-free interest rate	1.68%
Dividend yield	2.0%
Weighted average fair value per option	23.4p

Expected volatility is based on historical volatility over the last four years 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.

	29 Apr 16	29 Apr 16	24 Apr 15	24 Apr 15
	Number of	Weighted	Number of	Weighted
	share	average	share options	average
	options	exercise		exercise
		price (£)		price (£)
Outstanding at 24 April 2015	11,591,228	0.751	13,545,000	0.748
Granted during the period	2,460,000	1.100	2,320,000	0.934
Lapsed during the period	(603,236)	0.797	(728,541)	0.646
Exercised during the period	(5,387,632)	0.737	(3,545,231)	0.737
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at 29 April 2016	8,060,360	0.864	11,591,228	0.751
	<hr/>	<hr/>	<hr/>	<hr/>
Exercisable at 29 April 2016	1,245,360	0.592	4,411,288	0.824
	<hr/>	<hr/>	<hr/>	<hr/>

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

25. SHARE BASED PAYMENT *(continued)*

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 period is as follows:

	29 Apr 16	29 Apr 16	24 Apr 15	24 Apr 15
	Number of	Weighted	Number of	Weighted
	earmarked	average	earmarked	average
	shares	exercise	shares	exercise
	price (£)	price (£)		price (£)
Outstanding at 24 April 2015	61,741	0.899	165,131	0.881
Lapsed during the period	-	-	-	-
Exercised during the period	(32,416)	0.876	(103,390)	0.846
Outstanding at 29 April 2016	29,325	0.924	61,741	0.899
Exercisable at 29 April 2016	29,325	0.924	61,741	0.899

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 29 April 2016, the share options outstanding had a weighted average remaining contractual life of 8.2 years (2015: 6.7 years). The share bonus scheme shares have no expiry date and therefore it is not possible to calculate a weighted average remaining contractual life for them.

26. 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.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

26. FRESCA GROUP LIMITED EMPLOYEE SHARE OWNERSHIP PLAN (ESOP) *(continued)*

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 period were Christopher Mack (Chairman), Simon Hodson and Elizabeth McMeikan.

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.

At 29 April 2016, the ESOP owned 22,557,535 (2015: 21,760,381) 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.

27. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £0.5 million (2015: £0.3 million).

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

28. PENSION COMMITMENTS

Pensions

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 £1,194,000 (2015: £1,151,000). At 29 April 2016, contributions amounting to £168,000 (2015: £140,000) were payable to the funds and are included within creditors.

29. POST BALANCE SHEET EVENTS

Post year end the group sold its shares in its subsidiary Thanet Growers 6 Limited.

30. 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 Growers Eight Limited, 43% of the ordinary share capital of Thanet Energy Limited, 40% of the ordinary share capital in the associate Wallings Holdings Limited and 25% of the ordinary share capital of TG1 Holdings 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 £18.4 million (2015: £12.9 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 £87,000 for the period (2015: £87,000), and the value of assets leased to associate and joint venture companies is £787,000 (2015: £787,000) in total.

During the period the joint venture companies sold products and services to the group of companies headed by Fresca Group Limited to a value of £1.7 million (2015: £2.3 million). The group of companies headed by Fresca Group Limited also provided further funding of £nil (2015: £210,000) during the period with a total interest charge of £nil (2015: £6,000).

As at 29 April 2016, the associate and joint venture companies were owed £117,000 (2015: £295,000) by the group of companies headed by Fresca Group Limited and owed these companies £2.4 million (2015: £1.6 million).

Subsidiary undertakings

Wallings Property Limited is less than 100% owned by the group of companies. As at 29 April 2016, this company owed the group of companies headed by Fresca Group Limited £161,000 (2015: £220,000) respectively.

FRESCA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 25 April 2015 TO 29 April 2016

31. TRANSITION TO FRS 102

This is the first year that the Group and Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the period ended 24 April 2015. The date of transition to FRS 102 was the 26 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 24 April 2015 and the total equity as at 26 April 2014 and 24 April 2015.

Profit for the financial period	to 24 April 2015	
	£000	
UK GAAP – As previously reported		3,213
Deferred tax on deferred capital gains	A	18
Share of JV Profit	B	(28)
Total adjustment to profit for the financial year		<u>(10)</u>
FRS 102		<u>3,203</u>
FRS 102		
	25 April 2014	24 April 2015
	£000	£000
Total Equity		
UK GAAP – As previously reported	50,379	51,102
Derivative financial instruments	C	(230)
Share of JV profit	B	(71)
Deferred tax impact of adjustments		
- Provision for deferred tax on capital gains	A	(364)
- Derivative financial instruments	C	(45)
FRS 102	<u>49,669</u>	<u>50,604</u>

A Deferred tax on deferred capital gains

FRS102 requires the deferred tax on gains recognised on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Previously these taxable gains were not provided for as it was not envisaged that any tax would become payable.

B Share of JV profits

This reflects the change in net assets of the group's JV from FRS 102 adjustment.

C Derivative financial instruments

FRS 102 requires derivative financial instruments to be recognised at fair value. Previously under UK GAAP the group did not recognise these instruments in the financial statements.

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Fresca Group Ltd
The Fresh Produce Centre, Transfesa Road, Paddock Wood, Kent TN12 6UT
Tel: 01892 831 595
www.frescagroup.co.uk