fresca® Group

2017

consolidated financial statements

Company registration no. 05307204

fresca® Group

100% owned

primafruit™

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

MACK

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

dgm Growers

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

MACK wholesale

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

GRAPE EVOLUTION

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

our business today

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.

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

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

It was 1874 when Matthew Mack opened his stand at London's Covent Garden Market. His vision was to supply fresh fruits and vegetables from around the world. He would succeed against the competition by delivering more quickly and offering a better, direct service. This vision remains at the company's core.

With great foresight backed by investment in its facilities the business embraced the rise of the supermarkets, shaping how these large enterprises could procure, pack and distribute the large volumes of seasonal fresh produce their customers needed. Technology and efficiency have ensured that the company has stayed in a market-leading position in the UK, with a continuing entrepreneurial approach to business.

Our longstanding grower relationships, and indeed our own investments in growing, remain a pillar of our business.

Fresca Group is an investor and holding company for the group's interests. Fresca people drive the fast pace of our market, seeking fresh opportunities and ensuring sustainable, long term growth.

Sales	Net assets
£499.3m	**£55.9m**

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

contents

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

C P Mack

I A Craig

N J Trood

board of directors

B G Sumner

E McMeikan

S J Hodson

chairman's statement

Period from 30 April 2016 to 28 April 2017

The Fresca Group of companies has become a truly diverse and exciting place to be. We are now deeply involved at every stage of our product supply cycle, from the seed of our product in varietal development businesses, through to our own consumer brands with superb quality fresh produce proudly displayed on the shelf.

There is a designed logic behind our growth and direction in recent years, and it is paying off as we learn about new opportunities and find success in these areas. While it is still true that the UK's major retailers make up the lion's share of our sales, and of course retain a commensurate level of our attention, the periphery area is distinctly less peripheral these days. The rise of the convenience, online and food service sectors continues apace, and I have enjoyed watching our businesses adapt to a very different customer demand with energy and innovation. We have a greater number of customers now than ever, with our companies offering a service-driven menu of options.

During the last year we have been able to formalise a longstanding partnership with our friends at Cartama in Colombia. Together we are now growing, exporting and marketing superb Colombian Hass avocados not only in the UK but also further afield. Cartama UK is a new business for the Group with committed partners. We will be using our now significant experience of what makes a successful joint venture company in our industry to help secure its future.

I have always been one to emphasise how much of this industry is about its people. I am particularly pleased to see that we continue to nurture our own talent and offer rewarding careers. The new Cartama business is under the direction of Paul Frowde. Paul began his career with us in 1997 as a quality controller, and has progressed with experience across different products and companies in our Group. In another notable example, since we handed the management of our DGM Growers vegetable business to Simon Scott it has consistently delivered growth. With 23 years of service to the business, Simon's experience and commitment have ensured that progress has been steady and well-managed.

After almost 34 years of service, we wish a very happy retirement to Lawrence Scott. Lawrence joined our Southampton market branch of Mack as a 'Trainee Fruit Broker' in 1983. Lawrence rose to become the branch's Divisional Director until his retirement this year.

In April I was enormously saddened to have to announce the death of a friend and colleague, Elliot Mantle. Elliot was Head of Procurement for our bananas and pineapples, bringing a remarkable level of passion and dedication to the role even through the challenges of the cancer treatment that he faced with such strength and dignity. He is much missed after almost 30 years in our business, and by our friends at source.

The ownership of our business is an important focus for me and my Board colleagues. In 1998 we established an employee share scheme which has steadily grown, acquiring shares from exiting shareholders. The percentage of our company owned by the employee trust has reached some 40%, bringing us within the top ten largest employee-owned businesses in the UK by turnover[1].

This percentage will continue to grow over the coming years until we are majority employee-owned. My colleagues and I recognise that success depends on the people employed by the business and we believe that employee ownership will help to ensure we retain and engage each of our people to be the best they can be. The potential benefits and evolution of the employee share scheme are an important and exciting topic for the coming year.

Ensuring the longevity and security of our business for its people instinctively feels like the right thing to do against a backdrop of what is perhaps the most uncertain operating climate that I have known.

Many of our retail customers are still in a largely defensive position, under pressure to maintain the low food prices that have resulted from the extreme competition and deflationary market of recent years. The impact of this can be seen in the decrease in our margin this year as detailed in the Strategic Report. Following a move to a direct sourcing model for key products, our Mack and MMG Citrus businesses lost a significant amount of volume with Sainsbury's. The companies were forced to undertake a difficult round of redundancies to ensure operating costs reflect business moving forward. This process is always undeniably difficult and unsettling. I would like to thank the people at Mack and MMG Citrus for their patience and understanding, and I wish those who have left us every success in their continuing careers.

The resilience of the Mack business is evident by looking at its current order book. Nigel Trood's strategic diversification of customers, products and operating models over recent years has put this business and its associated spin-offs on the front foot to make the most of the exciting new market opportunities. The business strategy has delivered several significant new strategic customers across a broader range of consumer channels. I am enjoying, for example, watching the new 'Curious' fresh produce brand come to life on the virtual retail shelves of ambitious market entrant Amazon Fresh.

There is an increasing level of unity in our Group now, particularly given the very real and common challenges we face with prolonged uncertainty over Brexit, and the issues arising from forex volatility and the low value of sterling.

Our Strategic Report deals with this in more detail, but from a personal perspective I would like to recognise something else in our industry at large. Despite our market being renowned for competition, the common issues arising from Brexit have driven conversation and collaboration that has not been evident for a long time. Working together with industry leaders to communicate the vital importance of the issues under debate has been, and continues to be essential. The impact of Brexit will be felt keenly right across the fresh produce industry, and maintaining a persuasive, collective voice that can aim to influence at the highest level is key. Whilst there is a long list of risks that I see around Brexit, safeguarding our labour requirement is of primary importance. We seek to protect everyone in our business, without discrimination or favour over where they were born, and to ensure we can continue to staff our businesses effectively. Just as we have adapted across our 143 years in business, the Group will remain flexible and we will forge a way forward no matter what the outcome of the Brexit negotiations.

The financial results for the Group this year make interesting reading. We have a marked increase in turnover, with an increase in case volumes too, but to a slightly lesser degree. It does look that inflation is slowly creeping back into our category, but it is difficult to predict the long term prospects. I would like to congratulate our teams who have delivered a profit before tax of £6.2m for the business despite the challenges faced. I am proud of our people and of what we do. There is indeed strength in unity and in scale. I feel very fortunate that our business has plenty of both.

Chris Mack
Chairman
1 September 2017

[1] Data from Employee Ownership Association, May 2017

"Ensuring the longevity and security of our business for its people instinctively feels like the right thing to do..."

Chris Mack

strategic report

Period from 30 April 2016 to 28 April 2017

The Board members of Fresca Group Limited ("the Fresca Group") remain focused on clear priorities in their assessment and management of the business and its performance. These priorities can be summarised as:

- generating value for shareholders;
- building long term partnerships with customers;
- building long term partnerships with growers;
- investing for sustainable growth – through innovation, products, facilities and services;
- ensuring the right people are in our businesses at all levels and that everyone is valued and rewarded appropriately.

Each company in the Group has a strong and effective team of directors, working to an agreed strategic plan. As an investor and parent company, the Fresca Group monitors the performance and direction of each business not only against its own strategic plan but against the Fresca Group priorities above.

The Fresca Group Board members attend regular business review meetings at the operating sites.

Business Review

Sales for our business for this financial year followed the upward curve of the prior year, continuing to grow by some 17% on the 2016 figure. Including our share of joint venture turnover, recorded sales for 2017 are at £499.3m (2016: £434.1m). It has, however, been an extremely challenging trading environment this year.

We have been able to sell more of our products – behind these figures is a volume increase of around 10%. Each business in the Group has worked hard to grow incremental sales and to help their existing customers perform better in their market. This commitment to service and a focus on product quality is indeed paying off in our volume aspirations, aided by a more entrepreneurial approach to attracting new business and taking a more positive stance with new routes to market.

Notable contributors to the turnover increase have been Primafruit and Thanet Earth – both companies following an ambitious strategy for growth together with their core retail customers and both supported by related investment from the Fresca Group.

Despite the increase in sales it has been very difficult to retain the level of margin we have historically recorded. Notwithstanding that we already operate in an industry that's remarkable for its narrow profitability, this year

has seen the pressure intensify yet further. The Group profit before tax posted for 2017 is £6.2m. It is a solid performance, but in comparison with last year has fallen 0.7% to 1.2%.

There is much that underlies this figure, and margins have been falling across the industry for some time. Our business is not unusual. During this year by far the biggest impact on our costs has been the devaluation of sterling. The vast majority of our purchases are made in dollars and euros. The Brexit referendum result and the subsequent plummeting of exchange rates hit every importer hard. With some 20% value lost against the dollar in the year, and with prospects for rate recovery slow at best, we are in a very different trading environment with our source partners. There is significantly more underlying cost to our products and any aspirations for a return to previous margin expectations must take into consideration a broad range of external factors.

Principal Risks and Uncertainties

Firstly, we cannot expect any imminent significant increase in the value of sterling. There is much change and uncertainty that affects us and our trading partners. National and international politics and economics are unpredictable at present and are likely to impact our operations, with our companies looking to mitigate the fluctuations and minimise negative impact where possible. Despite using hedging facilities we remain vulnerable to volatility in foreign exchange. A business-wide review of procurement processes and strategy has been implemented specifically in light of this issue and is showing encouraging, positive results.

Two months into the financial year came the UK referendum decision to leave the European Union. A year on and there remains no published plan or consensus on likely outcomes. Our business is heavily reliant at all levels on non-UK nationals and we have significant concerns about how we form our workforce and the cost of that workforce in years to come.

The UK's position in relation to accessing the Single Market and Customs Union is crucial for our companies too. Forward planning with such uncertainty is difficult at best. Any increase to the administrative burden on our companies, whether in regard to labour or to the import of our products, would be an unwelcome additional cost. The strategy followed by our customers for the sourcing of their products can also be influenced by factors beyond our control. We have seen most clearly this year with our Mack and MMG Citrus businesses suffering the loss of a significant proportion of business with Sainsbury's in a phased cessation by product through 2017. This loss of business was announced in January as Sainsbury's stated their commitment to adopting a direct sourcing supply model. Whilst Sainsbury's remains a core customer for Mack, we have had to undertake a consultation and redundancy process which accounts for the majority of the exceptional operating expenses (£617,000) detailed in the Profit and Loss Account. Whilst developing and maintaining close customer relationships helps mitigate this risk, we operate in an extremely competitive marketplace which is quick to adopt new supply models in the pursuit of efficiency and margin.

It remains important that we view our growers as customers too. This is crucial if we are to ensure that our companies are those best placed to provide the quality of products our customers need. The best growers in today's market need value and reward if we want to retain forward momentum and maintain a pro-active, not defensive position. There will always be issues beyond our control though; this year the decision was taken by British tomato grower Cornerways to switch away from tomato production altogether. Thanet Earth had been contracted by Cornerways to market their fruit and the loss of UK-grown product for the market is a sad result for consumers. Whilst the team at Thanet have acted to mitigate the impact, the loss of volume will affect Thanet Earth's sales, operations and customer relationships. Such decisions are a timely reminder that growers also have a choice.

Development, Performance & Position

The Fresca Group has been shaped to ensure it has diversity of interests, specialism of products and the support of a network of expertise and investment. Whilst each business in the Group is in a different acknowledged phase of its development and strategic cycle, there is a strong tie through The Fresca Group which provides a competitive edge in our market.

Each company in the Group is performing well against its defined strategy, and growth is a consistent thread. It might be imagined that the Mack business is still suffering from the effects of the Sainsbury's decision, but the large amount of new business this company has won recently has gone a significant way to off-setting the anticipated turnover decrease from this decision.

The culture within the company is also positive in its approach to change. Mack is more agile than ever, with bold, ambitious plans for the coming months and years.

The Fresca Group continues to invest in production, with the sixth greenhouse at Thanet Earth under construction and with plans to invest in the avocado supply chain with our partners. Further vertical integration is likely as we look to reap the benefits from linking our market expertise with the finest growers around the world. Investment in new variety development has continued, with the formal establishment of joint venture business Custom Plum Company Limited and Grape Evolution Limited.

Fresca Group remains a leader in the UK fresh produce industry, with a broad product portfolio and a broad customer base. Whilst margin remains under pressure, sales growth and solid profit delivery are testament to good management and committed teams at all levels.

Risk Management

The Board continues to adopt a conservative approach to risk. The Fresca Executive has oversight of assessment and management of risk, using a variety of financial and non-financial key performance indicators. Individual performance targets are used to help ensure robust monitoring of the performance in each business. These targets may use a combination of indicators like case volumes, turnover, gross margin and operating costs. Gross margin is measured down to individual product level to provide enhanced detail and visibility. Regular reporting of Health & Safety data, of environmental performance and of employee survey results add context and warning of non-financial risks that might affect the performance of the business.

Tender processes remain a frequent feature and potential risk for many of our businesses. To minimise risk we remain close to our customers and provide value-added services. Maintaining the spread of customers and diversity of products served is also key. We have always adopted a positive approach to longer contracts and partnership models.

Risk from currency is managed with forward purchases and currency options along with a clear procurement strategy. Weather conditions and global politics also present a risk to our available volumes of product, so we ensure we retain a global network of contingency source options too.

Credit risk is largely attributable to trade debtors and to large UK retailers. The risk from default here is not high although credit insurance helps us manage the risk of offering credit terms to smaller customers. Robust credit control procedures are in place.

The Fresca 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 Fresca Group's cash flow on a monthly basis, ensuring that appropriate facilities are available to support activities.

Future Developments

Focus for the Fresca Group will continue to be the long term success of each part of the business.

The coming year sees work begin on a capital spend programme to provide facilities at DGM Growers in Lincolnshire that support the increasing volumes of niche and exotic vegetables this company grows and supplies.

Investment at Paddock Wood includes the installation of a new avocado grader and a re-configuration of operational space. The trading companies at The Fresh Produce Centre at Paddock Wood are undergoing reorganisation to align the business entities more effectively with their customers and the services they provide. The long-awaited switch across to a SAP ERP platform for The Fresh Produce Centre begins in September 2017. This technology will deliver significant improvements in every area, particularly in the real-time visibility of data and financial reporting.

At Primafruit the focus remains on operational excellence as the team realise the benefits of the capital investment at the site in recent years. A long term programme to embed a continuous improvement culture has begun, supporting this business through continuing and sustained growth with its customer, Waitrose.

Another year, another greenhouse at Thanet Earth. The fifth greenhouse at Thanet became operational early in 2017 with a tomato crop to help offset the lost volumes from Cornerways. For 2018 this greenhouse should switch to production of cucumbers, the sixth greenhouse coming into production with speciality tomatoes. Plans for reconfiguration and expansion of associated packing and storage facilities are also advancing well.

Maintaining market position and seeking fresh opportunities for growth are the priorities at Mack Wholesale. The wholesale businesses are agile and operate with a good degree of independence.

The intended move for Mack Birmingham and the city's wholesale market has faced numerous delays at the hands of developers and the local authority, but the new facility is approaching readiness and a move is, at last, imminent.

There is much positive change to manage in our plans for each business. Our experienced teams will continue to work together with our growers and partners to ensure smooth, successful developments that deliver genuine value.

Ian Craig
Group Chief Executive
Approved by the Directors on 1 September 2017

“ We operate in an extremely competitive marketplace which is quick to adopt new supply models in the pursuit of efficiency and margin”.

Ian Craig

directors' report

Period from 30 April 2016 to 28 April 2017

The Directors

The Directors during the period were as follows:

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

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 Fresca Group continues to be that of acting as a group holding company.

Strategic Report

Information regarding financial risk management objectives and policies, price risk, credit risk, liquidity risk, cash flow risk and like future developments in the business have been included in the Strategic Report.

Employee Involvement

Regular meetings are held between employees and senior management in each company. Intercompany conversations are encouraged and facilitated, 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 various locations, with members drawn from across the business.

The Fresca Group offers an all employee Share Incentive Plan to encourage active investment by qualifying employees in the business.

A significant proportion of the shares in the company (40% as at 28th April 2017) are owned by The Fresca ESOP Limited, protected under a trust deed that exists for the benefit of employees of the Group businesses.

All employees receive equal opportunities for training and career development.

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

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.

We remain confident that this momentum will continue as each company maintains its emphasis on procurement excellence to help prevent over-stock situations and as the business case behind more sustainable practice continues to grow.

Results & 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 (2016: £1,402,928) and the Directors recommend a final dividend of 1.36p per share (2016: 1.36p per share)

Donations

The Group made no political donations in the period.

Companies within the Group support a number of local charities. During the period the Group made £7,065 of charitable donations (2016: £12,102)

Directors' Responsibilities

In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions. The records should disclose with reasonable accuracy at any time the financial position of the company and enable the Directors to ensure that the financial statements comply with the Companies Act 2006. The Directors 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.

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the Group and company financial statements in accordance with the 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.

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.

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 1 September 2017

"Focus for the Fresca Group will continue to be the long term success of each part of the business".

Ian Craig

auditor's report

Period from 30 April 2016 to 28 April 2017

We have audited the financial statements of Fresca Group Limited for the year ended 28 April 2017 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 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 28 April 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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.

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

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 or the directors' report.

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.

David I'Anson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton United Kingdom

September 2017

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

"I am proud of our people and of what we do. There is indeed strength in unity and in scale.

I feel very fortunate that our business has plenty of both".

Chris Mack

FRESCA GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

PERIOD FROM 30 April 2016 TO 28 April 2017

	Note	£000	2017 £000	2016 £000
TURNOVER	**4**			
Group and share of joint ventures		**499,338**		434,060
Less share of joint ventures		**(119,178)**		(109,492)
Group turnover			**380,160**	324,568
Cost of sales			**(366,067)**	(309,336)
GROSS PROFIT			**14,093**	15,232
Operating expenses		**(8,935)**		(9,458)
Exceptional operating expenses	**10**	**(617)**		-
Total net operating expenses			**(9,552)**	(9,458)
GROUP OPERATING PROFIT	**5**		**4,541**	5,774
Loss on sale of subsidiary	**9**		**(80)**	-
Share of operating profit in joint ventures after amortisation of goodwill			**2,009**	2,807
Share of operating profit in associates			**232**	244
			6,702	8,825
Interest receivable	**11**		**32**	92
Interest payable	**12**		**(541)**	(659)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**6,193**	8,258
Tax on profit on ordinary activities	**13**		**(1,618)**	(1,494)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			**4,575**	6,764

The notes on pages 34 to 61 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

PERIOD FROM 30 April 2016 TO 28 April 2017

	2017	2016
	£000	£000
Profit for the financial year	**4,575**	6,764
Movement on cash flow hedge	**(105)**	(6)
Deferred tax movement on derivative financial instruments	**5**	2
Other comprehensive loss for the year	**(100)**	(4)
Total comprehensive income for the year	**4,475**	6,760
Profit for the financial year attributable to:		
Non-controlling interest	**9**	8
Owners of the parent company	**4,566**	6,756
	4,575	6,764
Total comprehensive income attributable to:		
Non-controlling interest	**9**	8
Owners of the parent company	**4,466**	6,752
	4,475	6,760

The notes on pages 34 to 61 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED BALANCE SHEET AS AT 28 APRIL 2017

	Note	£000	2017 £000	2016 £000
FIXED ASSETS				
Intangible assets	15		200	314
Tangible assets	16		38,149	40,248
Investments in joint ventures	17			
Goodwill		2,945		3,315
Share of gross assets		26,511		24,947
Share of gross liabilities		(21,598)		(21,280)
		7,858		6,982
Investments in associates	17	4,222		2,632
Other investments	17	25		25
Fixed asset investments			12,105	9,639
			50,454	50,201
CURRENT ASSETS				
Stocks	18	12,393		10,200
Debtors	19	50,881		43,110
Cash at bank		1,154		2,799
		64,428		56,109
CREDITORS: Amounts falling due within one year	20	(50,849)		(44,393)
NET CURRENT ASSETS			13,579	11,716
TOTAL ASSETS LESS CURRENT LIABILITIES			64,033	61,917
CREDITORS: Amounts falling due after more than one year	21		(6,918)	(6,960)
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	23		(1,229)	(1,303)
NET ASSETS			55,886	53,654
CAPITAL AND RESERVES				
Called-up equity share capital	25		1,253	1,253
Revaluation reserve			69	69
Merger reserve			2,618	2,618
Profit and loss account			77,474	73,523
Hedge reserve			(157)	(57)
			81,257	77,406
ESOP shares			(25,479)	(23,851)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			55,778	53,555
NON-CONTROLLING INTERESTS			108	99
			55,886	53,654

These financial statements were approved and authorised for issue by the Board of Directors on 1 September 2017 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 61 form part of these financial statements.

FRESCA GROUP LIMITED

COMPANY BALANCE SHEET AS AT 28 APRIL 2017

	Note		2017	*Restated* 2016
		£000	£000	£000
FIXED ASSETS				
Tangible assets	16	23		38
Investments	17	12,829		12,556
			12,852	12,594
CURRENT ASSETS				
Debtors	19	16,922		24,921
Cash at bank		1,818		2,234
		18,740		27,155
CREDITORS: Amounts falling due within one year	20	(27,702)		(31,988)
NET CURRENT LIABILITIES			(8,962)	(4,833)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,890	7,761
CREDITORS: Amounts falling due after more than one year	21		-	(180)
NET ASSETS			3,890	7,581
CAPITAL AND RESERVES				
Called-up equity share capital	25		1,253	1,253
Profit and loss account			28,116	30,179
			29,369	31,432
ESOP shares			(25,479)	(23,851)
SHAREHOLDERS' FUNDS			3,890	7,581

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

The loss recorded in the accounts of Fresca Group Limited for the year ended 28 April 2017 was £1,448,000 (2016: Loss of £1,210,000).

These financial statements were approved and authorised for issue by the Board of Directors on 1 September 2017 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 61 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIOD FROM 30 April 2016 TO 28 April 2017

	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
29 April 2016	**1,253**	**69**	**(23,851)**	**(57)**	**2,618**	**73,523**	**53,555**	**99**	**53,654**
Comprehensive income for the year									
Profit for the year	-	-	-	-	-	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 year	-	-	-	(100)	-	-	(100)	-	(100)
Total comprehensive income for the year	**-**	**-**	**-**	**(100)**		**4,566**	**4,466**	**9**	**4,475**
Contributions by and distributions to owners									
Dividends	-	-	-	-		(889)	(889)	-	(889)
Share based payment credit	-	-	-	-		274	274	-	274
Purchase of shares by ESOP	-	-	(2,898)	-		-	(2,898)	-	(2,898)
Exercise of share options	-	-	1,270	-		-	1,270	-	1,270
Transfer out of revaluation reserve	-	-	-	-		-	-	-	-
Total contributions by and distributions to owners	**-**	**-**	**(1,628)**	**-**	**-**	**(615)**	**(2,243)**	**-**	**(2,243)**
28 April 2017	**1,253**	**69**	**(25,479)**	**(157)**	**2,618**	**77,474**	**55,778**	**108**	**55,886**

The notes on pages 34 to 61 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIOD FROM 30 April 2016 TO 28 April 2017

	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)	-	-	(713)	(3,710)	-	(3,710)
28 April 2016	1,253	69	(23,851)	(57)	2,618	73,523	53,555	99	53,654

The notes on pages 34 to 61 form part of these financial statements.

FRESCA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 28 April 2017

	Share capital £000	ESOP share reserve £000	Profit and loss account £000	Total equity £000
29 April 2016	1,253	(23,851)	30,179	7,581
Comprehensive income for the year				
Loss for the period	-	-	(1,448)	(1,448)
Total comprehensive income for the year	**-**	**-**	**(1,448)**	**(1,448)**
Contributions by and distributions to owners				
Dividends	-	-	(889)	(889)
Share based payment credit	-	-	274	274
Purchase of shares by ESOP	-	(2,898)	-	(2,898)
Exercise of share options	-	1,270	-	1,270
Total contributions by and distributions to owners	**-**	**(1,628)**	**(615)**	**(2,243)**
28 April 2017	**1,253**	**(25,479)**	**28,116**	**3,890**
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 year	-	-	(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)	(716)	(3,710)
28 April 2016	1,253	(23,851)	30,179	7,581

The notes on pages 34 to 61 form part of these financial statements.

FRESCA GROUP LIMITED

CONSOLIDATED CASHFLOW STATEMENT

YEAR ENDED 28 April 2017

	2017 £000	2016 £000
Cash flows from operating activities		
Profit for the financial year	**4,575**	6,764
Adjustments for:		
Depreciation, impairment and amortisation of fixed assets	**3,145**	2,517
Share of profit for the year of equity accounted investments	**(2,240)**	(3,051)
Net interest payable	**510**	567
Taxation expense	**1,618**	1,494
Share based payment charges	**274**	183
Increase in debtors	**(6,660)**	(8,518)
Increase in stocks	**(2,193)**	(2,164)
Increase in creditors	**3,881**	9,530
Profit on disposal	**(55)**	26
Cash from operations	**2,855**	7,348
Interest paid	**(392)**	(383)
Taxation paid	**(851)**	(797)
Net cash generated from operating activities	**1,612**	6,168
Cash flows from investing activities		
Purchase of joint venture	**(1,375)**	-
Disposal of subsidiaries	**5,808**	-
Proceeds from sale of tangible fixed assets	**82**	65
Purchases of tangible fixed assets	**(5,278)**	(7,845)
Interest received	**25**	45
Proceeds from sale of share in joint venture	**-**	250
Dividends received from joint ventures	**325**	750
Net cash from investing activities	**(413)**	(6,735)
Cash flows from financing activities		
Capital element of lease repaid	**(611)**	(480)
Equity dividends paid	**(889)**	(899)
New bank loans	**1,660**	4,520
Repayment of bank loans	**(2,239)**	(634)
Purchase of own shares by ESOP	**(1,628)**	(2,994)
Net cash used in financing activities	**(3,707)**	(487)
Net increase in cash and cash equivalents	**(2,508)**	(1,054)
Cash and cash equivalents at beginning of year	**2,799**	3,853
Cash and cash equivalents at end of year	**291**	2,799
Cash and cash equivalents comprise:		
Cash at bank and in hand	**1,154**	2,799
Bank overdrafts	**(863)**	-
	291	2,799

The notes on pages 34 to 61 form part of these financial statements.

1. GENERAL INFORMATION

Fresca Group Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is 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

(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.

(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 year 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.

2. ACCOUNTING POLICIES *(continued)*

(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 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.

(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 year. 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.

2. ACCOUNTING POLICIES *(continued)*

(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 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.

(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

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.

(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.

2. ACCOUNTING POLICIES *(continued)*

(m) Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation.
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.

(n) Foreign currencies

(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.

(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. 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. ACCOUNTING POLICIES *(continued)*

(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) 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)*

(s) 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.

(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.

(u) Exceptional items

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

3. 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.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

- Tangible fixed assets (see note 16)

  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 note 17)

  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.

4. TURNOVER

Turnover is all in respect of the Group's principal activities of sourcing, marketing, packaging and selling fresh fruit and vegetables. £377.6 million of the Group's turnover arose within the UK (2016: £323 million) and sales to Europe were £1.1m (2016: £0.5m), and to non-European countries £1.5m (2016: £0.6m).

5. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	**2017**	2016
	£000	£000
Amortisation of goodwill	**35**	35
Depreciation of owned fixed assets	**2,707**	2,171
Depreciation of assets held under hire purchase contracts	**403**	311
Profit on disposal of fixed assets	**(55)**	(26)
Exchange differences	**22**	289
Operating lease costs	**1,740**	2,053

6. ANALYSIS OF AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2017	*Restated* 2016
	£000	£000
Fees payable to the company's auditor for the audit of the consolidated financial statements	**8**	8
Fees payable to the company's auditor for the audit of the company's subsidiaries	**93**	99
(Over) accrual in respect of prior period fees	**(1)**	(4)
Total audit fees	**100**	103
Tax advisory services	**17**	10
Tax compliance services	**27**	28
Other services	**7**	7
Total non-audit fees	**51**	45
Total fees payable	**151**	148

Comparative figures have been restated to more accurately report total auditor's remuneration.

7. PARTICULARS OF EMPLOYEES

The average number of staff employed during the financial year amounted to:

	Group		**Company**	
	2017	2016	**2017**	2016
	No	No	**No**	No
Distribution staff	**742**	629	**-**	-
Administrative staff	**160**	156	**21**	16
	902	785	**21**	16

The aggregate payroll costs of the Group staff were:

	Group		**Company**	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Wages and salaries	**27,057**	26,480	**2,001**	2,647
Social security costs	**2,529**	2,783	**107**	546
Share based payment	**347**	243	**(53)**	56
Other pension costs	**1,177**	1,194	**120**	142
	31,110	30,700	**2,175**	3,391

Included within the share based payment figures above is £33,000 (2016: £74,000) in respect of the charge for matching shares under the Group's Share Incentive Plan.

8. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS

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

	2017	2016
	£000	£000
Emoluments receivable	**1,904**	1,853
Value of Group pension contributions to money purchase schemes	**19**	96
Amounts paid to third parties for the services of directors	**63**	62
	1,986	2,011

Emoluments of highest paid director:

	2017	2016
	£000	£000
Total emoluments (excluding pension contributions)	**789**	560
Value of Group pension contributions to defined contribution schemes	**-**	37
	789	597

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

	2017	2016
	No	No
Defined contribution schemes	**4**	5

During the year one director exercised share options (2016: three).

Key management compensation:

	2017	2016
	£000	£000
Salaries and other short term benefits	**4,178**	4,787
Value of Group pension contributions to money purchase schemes	**450**	387
Share based payments	**278**	123
	4,906	5,297

9. DISPOSAL OF SUBSIDIARIES

During the period the Group disposed of its shares in its subsidiaries, Thanet Growers 6 Limited and Thanet Growers 3 Limited (2016: None).

	Total
	£000
Disposal proceeds	**5,781**
Net assets at date of disposal	**(5,937)**
Amounts previously impaired	**76**
Loss on disposal	**(80)**

10. EXCEPTIONAL OPERATING EXPENSES

	2017	2016
	£000	£000
Redundancy costs	**617**	-

11. INTEREST RECEIVABLE

	2017	2016
	£000	£000
Group bank interest receivable	**23**	30
Other Group interest	**2**	16
Share of joint ventures' interest receivable	**7**	45
Share of associate's interest receivable	**-**	1
	32	92

12. INTEREST PAYABLE AND SIMILAR CHARGES

	2017	2016
	£000	£000
Group interest payable on bank borrowing	**323**	203
Group interest payable on hire purchase contracts	**69**	180
Share of joint ventures' interest payable	**64**	178
Share of associate's interest payable	**85**	98
	541	659

13. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2017	2016
	£000	£000
Current tax:		
In respect of the year:		
UK corporation tax based on the results for the year at 20% (2016: 20%)	**896**	741
Over provision in prior period	**(10)**	(238)
	886	503
Foreign tax	**19**	13
Tax in respect of ESOP	**182**	142
Total current tax	**1,087**	658
Deferred tax:		
Origination and reversal of timing differences	**(59)**	(56)
Under provision in prior period	**(12)**	219
Total deferred tax (note 23)	**(71)**	163
Other tax:		
Share of joint ventures' tax charge	**530**	642
Share of associate's tax charge	**72**	31
Tax on profit on ordinary activities	**1,618**	1,494

13. TAXATION ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting total tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2016: higher than the standard rate of corporation tax in the UK of 20%).

	2017	2016
	£000	£000
Profit on ordinary activities before taxation	**6,193**	8,258
Share of joint ventures' (profit) before taxation	**(2,285)**	(2,674)
Share of associate's (profit) before taxation	**(146)**	(147)
	3,762	5,437
Profit on ordinary activities at standard rate of tax	**752**	1,087
Expenses not deductible for tax purposes	**220**	259
Amortisation of goodwill not deductible for tax purposes	**68**	3
Exercise of share options	**(12)**	(335)
Additional rate of tax in respect of ESOP	**88**	39
Adjustments to current tax charge in respect of previous periods	**(10)**	(238)
Adjustments to deferred tax charge in respect of previous periods	**(12)**	219
Non-taxable income	**-**	(103)
Different tax rate on current tax	**(3)**	-
Different tax rate on deferred tax	**(75)**	(107)
Fair value movement on derivatives	**-**	(3)
Share of joint ventures' tax charge	**530**	642
Share of associate's tax charge	**72**	31
Group total tax	**1,618**	1,494

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:

	2017	2016
	£000	£000
Final dividend in respect of previous year 1.36p (2016: 1.36p) on 62,630,720 (2016: 62,630,720) 2p Ordinary Shares	**852**	852
Interim dividend in respect of current year 0.88p (2016: 0.88p) on 62,630,720 (2016: 62,630,720) 2p Ordinary Shares	**551**	551
Dividend income received by ESOP	**(514)**	(504)
	889	899

A final dividend of 1.36p per share is proposed (2016: 1.36p per share). This is not included in the above figures in accordance with Financial Reporting Standard 102.

15. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
COST	
At 29 April 2016	5,898
Disposal of subsidiaries	(79)
At 28 April 2017	**5,819**
AMORTISATION	
At 29 April 2016	5,584
Charge for the year	**35**
At 28 April 2017	**5,619**
NET BOOK VALUE	
At 28 April 2017	**200**
At 29 April 2016	314

16. 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 29 April 2016	25,178	13,910	26,075	12,737	715	78,615
Additions	**99**	**1,327**	**1,998**	**3,272**	**71**	**6,767**
Disposals	**-**	**-**	**(910)**	**(901)**	**(226)**	**(2,037)**
Disposal of subsidiaries	**-**	**(5,729)**	**-**	**-**	**-**	**(5,729)**
At 28 April 2017	**25,277**	**9,508**	**27,163**	**15,108**	**560**	**77,616**
DEPRECIATION						
At 29 April 2016	7,202	-	21,039	9,648	478	38,367
Charge for the year	**884**	**-**	**1,362**	**760**	**104**	**3,110**
Disposals	**-**	**-**	**(897)**	**(900)**	**(213)**	**(2,010)**
At 28 April 2017	**8,086**	**-**	**21,504**	**9,508**	**369**	**39,467**
NET BOOK VALUE						
At 28 April 2017	**17,191**	**9,508**	**5,659**	**5,600**	**191**	**38,149**
At 29 April 2016	17,976	13,910	5,036	3,089	237	40,248

The net book value of fixed assets of £38.1 million (2016: £40.2 million) includes an amount of £2.5 million (2016: £1.9 million) in respect of assets held under hire purchase contracts. All assets form part of the security to Lloyds Bank plc for Group borrowings.

16. TANGIBLE FIXED ASSETS (*continued*)

Included in land and buildings is freehold land classified as an investment property of £0.4m (2016: £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

	2017	2016
	£000	£000
Freehold land	**2,619**	4,368
Freehold buildings	**12,743**	11,733
Long leasehold properties (over 50 years)	**1,754**	1,847
Short Leasehold properties	**75**	28
	17,191	17,976

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

	2017	2016
	£000	£000
Net book value at end of year	**17,187**	17,972
Historical cost	**22,674**	22,674
Depreciation	**7,839**	7,224
Historical cost net book value at end of year	**14,835**	15,450

Company	**Fixtures & fittings £000**
COST OR VALUATION	
At 29 April 2016	139
At 28 April 2017	**139**
DEPRECIATION	
At 29 April 2016	101
Charge for the year	**15**
At 28 April 2017	**116**
NET BOOK VALUE	
At 28 April 2017	**23**
At 29 April 2016	38

17. INVESTMENTS

Group	Investments in joint ventures £000	Investments in associates £000	Other investments £000	Total £000
COST				
As at 29 April 2016	13,132	2,632	25	15,789
Additions	**-**	**1,375**	**-**	**1,375**
Disposals	**-**	**-**	**-**	**-**
Share of retained profits	**1,246**	**215**	**-**	**1,461**
As at 28 April 2017	**14,378**	**4,222**	**25**	**18,625**
AMOUNTS PROVIDED				
As at 29 April 2016	6,150	-	-	6,150
Charge for the year	**370**	-	**-**	**370**
Disposals	**-**	-	**-**	**-**
As at 28 April 2017	**6,520**	**-**	**-**	**6,520**
NET BOOK VALUE				
As at 28 April 2017	**7,858**	**4,222**	**25**	**12,105**
As at 29 April 2016	6,982	2,632	25	9,639

The Group's share of the joint ventures' profit before tax during the year was £2,009,000 (2016: profit of £2,807,000). The Group's share of the joint ventures' taxation charge was £583,000 (2016: £641,000) respectively. In addition, dividends of £325,000 (2016: £750,000) were paid by the joint venture companies during the year.

Company – as restated	Investments in joint ventures £000	Investments in associates £000	Shares in subsidiary undertakings £000	Total £000
COST				
As at 29 April 2016	5,843	1,004	5,709	12,556
Share based payment	-	-	273	273
Disposals	-	-	-	-
As at 28 April 2017	**5,843**	**1,004**	**5,982**	**12,829**
AMOUNTS PROVIDED				
As at 29 April 2016	-	-	-	-
Disposals	-	-	-	-
As at 28 April 2017	**-**	**-**	**-**	**-**
NET BOOK VALUE				
As at 28 April 2017	**5,843**	**1,004**	**5,982**	**12,829**
As at 29 April 2016	5,843	1,004	5,709	12,556

Investments have been restated by £109,000 to correct a historic reclassification between shares in subsidiary undertakings and amounts due from Group undertakings.
All of the above investments are unlisted and carried at cost less any amortisation.

17. INVESTMENTS *(continued)*

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

	Class of shares	% held	Nature of business
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
Primafruit Limited[1]	Ordinary	100%	Sourcing, marketing, and selling of fresh fruit
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%	Dormant
Grape Evolution Limited	Ordinary	100%	Marketing of grape varietals

Indirect subsidiary undertakings

The company's indirect subsidiary undertakings are as follows:

	Class of shares	% held	Nature of business
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
Valefresh Limited	Ordinary	100%	Dormant
M&W Mack Trustees Limited	Ordinary	100%	Dormant

Associates and joint ventures

	Class of shares	% held	Nature of business
MM Global Citrus Limited	Ordinary	50%	Sourcing, marketing, and selling of citrus fruit
MMG Citrus South Africa (Pty) Limited (indirectly held) [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

17. INVESTMENTS *(continued)*

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 (indirectly held)	Ordinary	40%	Group engaged in growing of strawberries
TG1 Holdings Limited[2]	Ordinary	25%	Group engaged in growing of vegetables
Thanet Growers One Limited (indirectly held) [2]	Ordinary	25%	Site development
Custom Plum Company Limited	Ordinary	50%	Group engaged in marketing of fruit
Custom Plum Company (Pty) Limited (indirectly held)	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

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

	2017	2016
	£000	£000
Tangible fixed assets	**5,763**	6,311
Current assets	**20,748**	18,687
Share of gross assets	**26,511**	24,998
Share of creditors falling due within one year	**(20,598)**	(19,490)
Share of creditors falling due in more than one year	**(1,000)**	(1,841)
Share of joint ventures' net assets	**4,913**	3,667
Goodwill	**2,945**	3,315
	7,858	6,982

18. STOCKS

	Group	
	2017	2016
	£000	£000
Raw materials and consumables	**12,393**	10,200

Stock recognised in cost of sales during the period as an expense was £366,067,000 (2016 - £309,336,000)

19. DEBTORS

Amounts falling due within one year	Group		Company	
				Restated
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Trade debtors	**39,660**	33,335	**46**	-
Amounts owed by Group undertakings	**-**	-	**14,441**	22,743
Amounts owed by joint ventures and associated undertakings	**2,759**	2,363	**606**	412
Corporation tax	**1,163**	52	**1,023**	762
Other debtors	**3,262**	3,594	**574**	771
Assets held for resale	**161**	161	**-**	-
Prepayments and accrued income	**3,876**	3,605	**161**	154
Deferred taxation (see below)	**-**	-	**71**	79
	50,881	43,110	**16,922**	24,921

Deferred taxation

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Excess of depreciation over taxation allowances on fixed assets	**-**	-	**63**	100
Other timing differences	**-**	-	**8**	(21)
	-	-	**71**	79

20. CREDITORS: Amounts falling due within one year

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Bank loans and overdrafts	**2,941**	2,058	**502**	3,714
Trade creditors	**35,018**	31,766	**800**	1,521
Amounts owed to group undertakings	**-**	-	**25,211**	24,768
Amounts owed to joint ventures and associated undertakings	**150**	243	**-**	-
Other taxes and social security costs	**1,336**	816	**664**	567
Corporation tax	**1,347**	-	**69**	-
Other creditors	**9,245**	9,019	**456**	1,418
Amounts payable under hire purchase contracts	**812**	491	**-**	-
	50,849	44,393	**27,702**	31,988

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

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Bank loans	**5,424**	6,022	**-**	180
Amounts payable under hire purchase contracts	**1,494**	938	**-**	-
	6,918	6,960	**-**	180

Bank loans

As at 28 April 2017, 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 1.7%. At the year end the drawn down balance of the loan was £0.2 million (2016: £1.8m).

(b) Fresca Group Limited revolving loan facility

Fresca Group Limited renewed its revolving loan facility of £8 million on 14 October 2016 to a £5 million revolver and £3 million overdraft. 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 28 April 2017 (2016: £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 1.7%. At the year end the drawn down balance of the loan was £1.9 million (2016: £3m). From June 2017 this was renewed to a £4.4m loan facility repayable over 4 years.

(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 2016. The bank loan is secured on certain group land and buildings and had a term of 5 years from 30 June 2017. The loan carries a rate of interest of base rate plus 1.7%. At the year end the drawn down balance of the loan was £5.4 million (2016: £4.5m).

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

Bank loans and overdrafts

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
In one year or less, or on demand	**2,941**	2,058	**502**	3,714
In more than one year, but less than two years	**2,168**	2,078	**-**	180
In more than two years but less than five years	**3,800**	3,944	**-**	-
	8,909	8,080	**502**	3,894

Amounts payable under hire purchase contracts

Due in less than one year	**812**	491	**-**	-
In more than one year, but less than five years	**1,494**	938	**-**	-
	2,306	1,429	**-**	-

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 Investments Limited in respect of the companies' debts and liabilities.

22. FINANCIAL INSTRUMENTS

The Group's and Company's financial instruments may be analysed as follows:

	Group		Company	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**46,995**	42,091	**17,485**	26,051
	46,995	42,091	**17,485**	26,051
Financial liabilities				
Financial liabilities measured at amortised cost	**54,218**	50,486	**26,969**	31,601
Derivative financial instruments at market value	**866**	51	**-**	-
	55,084	50,537	**26,969**	31,601

22. FINANCIAL INSTRUMENTS *(continued)*

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 Strategic Report.

23. DEFERRED TAXATION

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

	Group		**Company**	
	2017	2016	**2017**	2016
	£000	£000	**£000**	£000
Provision brought forward	**1,303**	1,141	**-**	-
(Decrease)/increase in provision	**(71)**	162	**-**	-
Charged to other comprehensive income	**(3)**	-	**-**	-
Provision carried forward	**1,229**	1,303	**-**	-

	£000	£000	**£000**	£000
Excess of taxation allowances over depreciation on fixed assets	**917**	982	**-**	-
Other timing differences	**312**	321	**-**	-
	1,229	1,303	**-**	-

24. FINANCIAL COMMITMENTS

(a) Operating leases

At 28 April 2017 the Group and company had the following minimum lease payments under non-cancellable operating leases as set out below.

Group	**2017**	2016
	£000	£000
Operating leases which expire:		
Within 1 year	**644**	934
Within 2 to 5 years	**3,246**	2,891
In over 5 years	**5,006**	6,094
	8,896	9,919

Company	**2017**	2016
	£000	£000
Operating leases which expire:		
Within 1 year	**24**	16
Within 2 to 5 years	**4**	32
	28	48

(b) Guarantees

As at 28 April 2017, the company had guaranteed bank borrowings of £2.9 million (2016: £4.7 million) within its joint venture companies.

(c) Foreign Exchange Contracts

At 28 April 2017 the Group had entered into forward foreign exchange purchase contracts totalling £33.1m (2016: £4.8m).

25. SHARE CAPITAL

Company

Allotted, called up and fully paid:

	28 Apr 17 and 29 Apr 16	
	No	**£000**
Ordinary shares of £0.02 each	**62,630,720**	**1,253**

At 28 April 2017, 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 (per share)
30 October 2009	10,000	30 Oct 2012 - 30 Oct 2019	£0.864
30 September 2011	63,170	30 Sep 2014 - 30 Sep 2021	£0.700
26 September 2012	117,821	26 Sep 2015 - 26 Sep 2022	£0.505
29 November 2013	139,548	29 Nov 2016 - 29 Nov 2023	£0.687
16 January 2015	57,817	16 Jan 2018 - 16 Jan 2025	£0.934
13 January 2016	396,114	13 Jan 2019 - 13 Jan 2026	£1.100

Fresca Group Limited Unapproved Executive Share Option Scheme

	Number of shares	Exercise period	Exercise price (per share)
4 January 2008	50,000	4 Jan 2011 – 4 Jan 2018	£0.913
30 September 2011	11,830	30 Sep 2014 – 30 Sep 2021	£0.700
26 September 2012	52,179	26 Sep 2015 – 26 Sep 2022	£0.505
29 November 2013	840,452	29 Nov 2016 – 29 Nov 2023	£0.687
16 January 2015	1,422,813	16 Jan 2018 – 16 Jan 2025	£0.934
13 January 2016	1,323,886	13 Jan 2019 – 13 Jan 2026	£1.100

26. 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

	28 April 2017
Share price at grant date	**103.0p**
Exercise price	**103.0p**
Vesting period (years)	**3**
Expected volatility	**29.72%**
Expected life (years)	**4.05**
Risk-free interest rate	**1.68%**
Dividend yield	**3.86%**
Weighted average fair value per option	**26.0p**

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.

	28 April 2017	**28 April 2017**	*Restated* 29 April 2016	*Restated* 29 April 2016
	Number of share options	**Weighted average exercise price (£)**	Number of share options	Weighted average exercise price (£)
Opening balance	**8,070,360**	**0.864**	11,641,228	0.751
Granted during the year	**-**	**-**	2,460,000	1.100
Lapsed during the year	**(16,667)**	**0.934**	(743,236)	0.782
Exercised during the year	**(1,868,693)**	**0.631**	(5,287,632)	0.742
Closing balance	**6,185,000**	**0.932**	8,070,360	0.870
Exercisable at year end	**1,635,000**	**0.662**	1,315,360	0.630

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

26. 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 year is as follows:

	2017	**2017**	2016	2016
	Number of earmarked shares	**Weighted average exercise price (£)**	Number of earmarked shares	Weighted average exercise price (£)
Outstanding at 29 April 2016	**29,325**	**0.924**	61,741	0.899
Lapsed during the year	**-**	**-**	-	-
Exercised during the year	**(29,325)**	**(0.924)**	(32,416)	0.876
Outstanding at 28 April 2017	**-**	**-**	29,325	0.924
Exercisable at 28 April 2017	**-**	**-**	29,325	0.924

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 28 April 2017, the share options outstanding had a weighted average remaining contractual life of Nil years (2016: 8.2 years).

27. 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 28 April 2017, the ESOP controlled 24,800,534 (2016: 24,347,983) 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.

28. 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 which are revalued.

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.

Other equity reserves comprise the hedge reserve.

29. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £0.6 million (2016: £0.5 million).

30. 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 £1,177,000 (2016: £1,194,000). At 28 April 2017, contributions amounting to £150,000 (2016: £168,000) were payable to the funds and are included within creditors.

31. 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 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 £16.6 million (2016: £18.4 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 (2016: £87,000), and the value of assets leased to associate and joint venture companies is £304,000 (2016: £787,000) 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 £1.2 million (2016: £1.7 million). The group of companies headed by Fresca Group Limited also provided further funding of £230,000 (2016: £nil) during the year with a total interest charge of £2,000 (2016: £nil).

As at 28 April 2017, the associate and joint venture companies were owed £149,000 (2016: £117,000) by the group of companies headed by Fresca Group Limited and owed the group of companies £2.8 million (2016: £2.4 million).

Subsidiary undertakings

Wallings Property Limited is less than 100% owned by the group of companies. As at 28 April 2017, this company owed the group of companies headed by Fresca Group Limited £165,000 (2016: £161,000).

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