fresca Group

Annual report & consolidated financial statements

2020

Company registration no. 05307204

Our business today

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

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

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

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

Directors	C P Mack (Chairman) I A Craig M P Fletcher (appointed 3 August 2020) B G Sumner S J Hodson (non-executive) E McMeikan (non-executive)
Registered Number	05307204
Registered Office	The Fresh Produce Centre, Transfesa Road, Paddock Wood Kent, TN12 6UT
Auditors	BDO LLP Chartered 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, The Walbrook Building, 25 Walbrook, London, EC4N 8AF

fresca® Group

Sales
£454m

Net assets
£60m

Contents

100% owned

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

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

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

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

Logistics and customs service for fresh produce.

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

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

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

Marketing and commercial rights management of new table grape varieties.

Importer and wholesaler of Thai and Asian groceries and fresh produce.

Joint ventures and associates

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

Potatoes and vegetables - marketing and packing.

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

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

Importer of Colombian avocados for customers across Europe.

Our values

Flexibility

In our way of working, our service and our direction

Resourcefulness

Finding solutions, even in the toughest of times

Excellence

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

Sustainability

Working for a greater future, stronger ethics & longer relationships

Character

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

Ambition

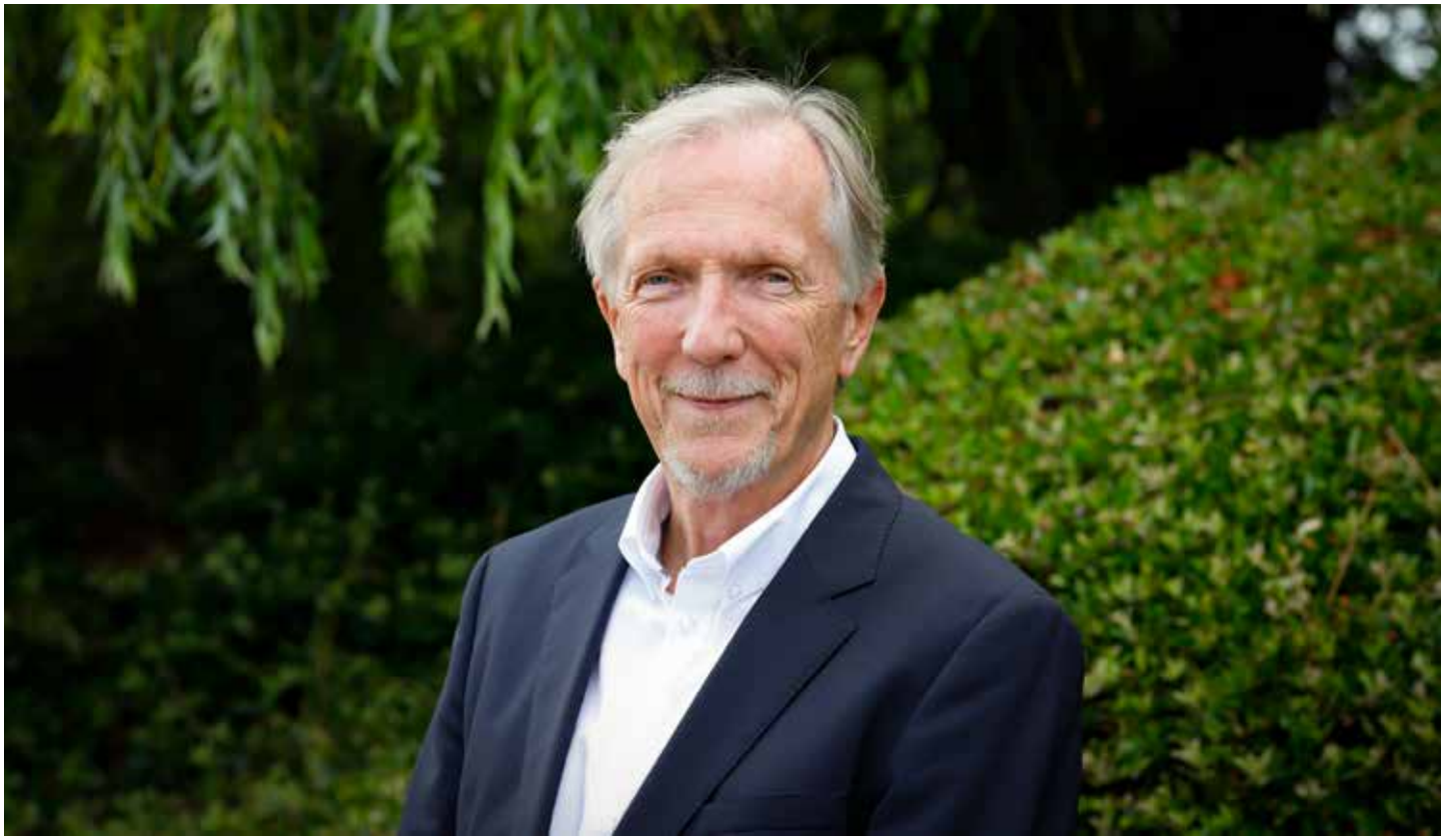
Driving developments for Fresca, for our people and our partners

Chairman's report

Period from 27 April 2019 to 24 April 2020

The past year has been a challenging but important one for the business. Although it is disappointing to report a pre-tax loss, this is largely the result of decisions that your board has made with the aim of positioning the business for future success.

fresca® Group



Much of the business performed well, although offset to some degree by a weak performance at Thanet Earth and the cost of transitioning The Fresh Produce Centre to a model fit for the future.

The Board has reviewed and agreed an appropriate strategy for the future of the business and has continued to invest behind delivering this strategy. During the year, the expansion of our Primafruit facilities was completed which has provided us with the capacity to deliver further efficiency benefits to our key customer. We now have excellent facilities at DGM Growers and have some exciting plans around developing further high-tech growing of speciality vegetable products. Additional land has been purchased and planted with avocados by our Colombian joint venture and we are developing plans to establish a new ripening centre of excellence to support our activities in this important product area. We will continue to look to invest in what we believe to be important opportunities for growth across the value chain.

The coronavirus pandemic has demonstrated the relative robustness of the fresh produce industry. The initial challenge for our business was procuring and processing sufficient volumes of fresh produce to meet much higher demand than normal, whilst striving to ensure that our people were as safe as possible. I must acknowledge and thank everyone in the business for their efforts. Although demand has returned to more normal levels, we are continuing to increase our vigilance and take additional precautions to minimise transmission risks associated with this disease.

Our balance sheet and cash position remain strong. The business continues to deliver cash profits and we have the appropriate banking facilities in place to implement our strategy through the new financial year.

Finally, I need to record my thanks to Ian Craig who stood down as Group CEO in August. Since joining more than 15 years ago, Ian has made an outstanding contribution to the business, initially within our potato businesses, then at Thanet Earth and in his present position for the past five years. Ian signalled his intentions some months ago and this provided us with ample notice to seek his replacement. I am delighted to have welcomed Martyn Fletcher as our new CEO. Martyn brings with him a wealth of experience as a senior executive from within both the retail and food manufacturing sectors. It will be Martyn's responsibility to refine and deliver our agreed strategy and we look forward to working with him as he leads the business into its next chapter.

As with many businesses, we face a number of uncertainties in the months ahead including the possible further effects of the coronavirus pandemic, the state of the economy and the terms of our future trading arrangements with the EU. However, I am pleased to be able to report that trading during the first three months of the new financial year has produced satisfactory results in line with our expectations.

Chris Mack
Chairman

Strategic report

Period from 27 April 2019 to 24 April 2020

We seek to position Fresca Group as a significant, customer-focused, UK fresh produce company invested in products, growing operations and services that generate increased earnings.

Business Review

This has been an extraordinarily complex and pressured year across the UK's fresh produce industry. Our industry has always been subject to rapid market changes, but no one could have predicted how rapidly and comprehensively we would need to adapt to manage the impact of coronavirus on our business. It is important to begin this year's report with thanks and acknowledgement to all our employees. When much of the UK closed for business, we had to ask our people to step up to face increased volumes and to operate in new ways. Health, safety and staff welfare have been prioritised, and I am extremely proud not only of how we cared for each other, but also of our unfailing commitment to customer service and delivering against unprecedented demand. My thanks must also pass back through our supply chain to growers who have maintained supplies in the most difficult of circumstances and to our customers for working so closely with us to manage the pressure.

Turnover across the Group remained strong with a £10m increase in comparison to 2019, but gross profit was down £0.6m reflecting both cost price inflation and tighter margins. A number of structural changes particularly at The Fresh Produce Centre should improve margins in the next financial year.

Operating expenses were notably higher in the year at £17.5m (2019: £12.9m) and include £2m of exceptional operating costs.

One-off costs include the restructure of The Fresh Produce Centre at our site in Paddock Wood, rationalisation of our banana ripening facilities, increased recruitment costs and a non-cash software impairment.

Depreciation and amortisation were significantly more than last year as a result of investments made and a decision to shorten the life of some of our ERP assets. As the coronavirus pandemic took hold in the UK in the final months of our financial year we took all practical measures, including those mandated by the government, to meet the increased customer demand and secure site and staff safety.

The combined effect of this brings Fresca Group to report a pre-tax loss of £29k for the year (2019: £5.6m profit). An acceptable result in exceptional times, which is not reflective of the performance of the majority of companies in Fresca Group.

Our business review would be incomplete without some mention of cash generated as compared to profit reported. In the period the Group delivered a net increase in cash of £1.1m (2019: £1.3m) with EBITDA including restructuring costs generating £4.4m (2019: £9.3m) and working capital releasing a further £4.3m (2019: £0.3m). CAPEX spend of £6m (2019: £10.9m) describes the tail end of our Evesham build for Primafruit and our Holbeach build for DGM Growers over and above our normal spend.

Strategic report cont.

Period from 27 April 2019 to 24 April 2020

Overall, a satisfactory cash result which sees us end the year with £9.6m (2019: £8.5m) of cash at bank and in hand and well placed to deliver our strategy through the next financial year.

The Fresh Produce Centre Limited at Paddock Wood saw further losses of its traditional fruit importing activity as the industry continues to consolidate. In recognition of the challenges faced by the businesses we appointed Fresca's Operations Director, Tim Espley, into the role of Managing Director of The Fresh Produce Centre Limited. During the year Tim provided critical leadership which helped improve performance as well as delivering a comprehensive review, and the implementation of a new low-cost operating model. The FreshPLUS team was further strengthened by the recruitment of an Operations Director and a fresh approach to customer service and new business was adopted, with successful new customer acquisition and strong service performance resulting as the year progressed.

The coronavirus pandemic impacted this business at the height of its restructuring activity when focus had to be on delivering unprecedented volumes of ripened, packed product whilst also managing new pandemic risks across the operation. As a result, the site's consultation process was placed on hold. This, along with the additional costs of packhouse reconfiguration and greatly increased safety measures, contributed to the business carrying far more cost through this period. Since year end the consultation process has been completed and the new business model is operational and performing well. Volumes are increasing with significant new customer activity in our FreshPLUS service provision business.

The Avocado Company, which also trades under The Fresh Produce Centre Limited, remains a key user of the FreshPLUS service. The Avocado Company business has fared very well through the year and has increased its supply to customers, winning new business through careful planning of promotional activity and reliable service. Well-considered buying programmes and strong partnerships with key growers have ensured reliability of supply and product quality. Capital expenditure on facility improvements at The Fresh Produce Centre in the coming year will deliver a ripening centre of excellence to support The Avocado Company's aspirations.

With strategic focus on growing our avocado market share, Fresca Group continues to invest as a grower in Colombia with our partner, Cartama. Cartama are the leading producer of avocados in Colombia. Together we have purchased 422 hectares of land in Antioquia and pursued a planting programme to begin commercial production of Hass avocados from Fresquita Farms in 2022.

Primafruit Limited continues to enjoy a collaborative relationship with its key customer, supported by a committed and robust global network of growers. The business secured further volume growth in the period alongside being awarded the Exotic fruit category which required the integration of new products and further increases in growers and source countries. There were celebrations in August as the Evesham site's final building extension was completed and handed over to the business. This added new banana ripening capacity and additional packing and storage capacity.

DGM Growers based in Lincolnshire and part of M.& W.Mack Limited, is focused on specialist vegetable production and remains the UK's only commercial producer of chicory. In the year the business further expanded its field growing operations alongside a £5.4m site investment (£4.3m in the current year) realising a long-held ambition to upgrade the site with a purpose-built chicory production facility, packing factory, additional cold storage capacity and much improved staff offices and welfare areas. Alongside this and the recruitment of a site Operations Manager, DGM Growers invested in automation and increased its efficiency. Ensuring the Holbeach-based site is kept busy falls to a dedicated, capable commercial team who have secured additional business with their retail customers.

The company's wholesale businesses which also form part of M.& W.Mack Limited have had mixed fortunes in the year, but have nevertheless produced a pleasing contribution considering the turbulence in their sector. Significant new refrigeration at Mack Bristol has increased the quality and life of the product supplied with positive customer feedback and improved margins. Extreme wet weather affected all our wholesale sites early in 2020, but business recovered quickly. Mack Birmingham continues to seek new customers to compensate for a notable decrease in footfall at the new market site. Mack Southampton saw the benefit of a new, extended agreement with a major cruise line customer but the coronavirus pandemic caused the immediate cessation of these operations and the business has pivoted to meet increased demand elsewhere by offering fresh produce boxes for new delivery schemes and increasing its customer base. Staff from our Ship Stores business were re-deployed to assist at Primafruit and Blue River International, removing the need for furlough.

The company is hopeful that the cruise line sector will return to operation in 2021 and has continued CAPEX in support of Southampton's Ship Stores business with the reconfiguration of storage space at the site including extensive new refrigeration zones. This allows for greater temperature flexibility and significantly more frozen food capacity which will serve the business well across many sectors.

Trading business Mack International has developed new business in conjunction with our colleagues at Fresca Spain.

Blue River International Limited which operates out of our Southampton wholesale site is slowly building a reputation for Thai produce which alongside more conventional grocery lines and an online presence offers an interesting addition to our portfolio.

Manor Fresh Limited continues to very effectively serve its key customer with potatoes and other vegetables. This joint venture's management team have risen to the challenges of extreme weather conditions both abroad and in the UK, which included drought in the summer and flood in the winter, alongside internal change within its key customer. Whilst the relationship with the core customer remains robust, both joint venture partners recognise the importance of delivering value to the customer and are supporting changes to the joint venture to ensure value continues to be delivered.

Thanet Earth, a joint venture between Fresca Group and specialist grower partners, saw a newly installed Managing Director, Chris Butler, facing challenging circumstances with the crop in a tomato greenhouse at the site found to have a serious and highly contagious virus. This required immediate management and a revised business plan to maintain service to its multiple retail customers and limit the financial cost. The business also successfully completed a project to migrate to a new ERP system in February.

Principal risks and uncertainties

Our business remains primarily focused on sales and service in the UK retail market. The challenges and competition in this sector demand that we continually sharpen our approach and deliver value or innovation to our customers. Our site investments have to date secured value and there remain further internal investment opportunities across our portfolio of businesses. Within the UK retail market opportunity remains in service provision, and with FreshPLUS at Paddock Wood, we have a first-class service provision business in which we continue to invest to deliver competitive customer value.

We know only too well how key customer decisions impact the ongoing viability of a business and we strive to identify customer value to secure our ongoing relevance. Retaining key customers requires rigorous attention to detail and high service levels and key staff are appropriately rewarded to ensure this is the case.

Strategic report cont.

Period from 27 April 2019 to 24 April 2020

The risk of losing a key customer is further mitigated by maintaining agreed service levels, upholding customer relationships at all levels and seeking long term contract agreements wherever possible. These agreements, such as that between Primafruit and its key customer, unlock investment opportunities and increase stability for all partners.

We also see opportunities outside of retail and indeed outside of the UK. Similarly, the company has made significant strides to add vertically integrated operations to its portfolio. The Fresca board encourages innovation and monitors social trends, identifying future products and partners and ensuring we adapt to changing tastes and demands.

There remain concerns regarding Brexit and its impact on our sector and the broader economy. Access to labour is a primary concern, mitigated in part by strengthening the Group's engagement with seasonal labour providers, increasing our own staffing as opposed to relying on agency and ongoing government consultation. Investment in automation will continue and each business has measures in place to increase staff retention rates. We have alongside these Brexit risks recognised an opportunity to bolster our Fresh Clear customs agency and freight logistics business with a new Commercial Director and additional training and engagement. This will allow Fresh Clear to serve third party customers effectively and support existing internal customers through the customs and clearing changes that Brexit will bring.

The risk of modern slavery in our supply chain remains high, particularly in light of Brexit and shortages of labour. Led by our Compliance Director our companies continue to review this risk and each has robust reporting mechanisms in place to help identify issues and drive continuing improvement. We take the risk of modern slavery very seriously and are industry leaders in this area.

The Group promotes awareness campaigns and offers multiple channels for staff and contractors to report a concern.

Extremes of weather, pandemics, global politics and other events beyond our control remain risks with the potential to interrupt supply. Maintaining a global network is our essential risk mitigation and contingency sources are developed for all products. The ongoing investment in production extends Fresca's risk as a grower too. This risk is managed by working collectively with specialists and employing best practice hygiene in our facilities.

Hygiene standards and personal protection came to the fore this year with the unexpected coronavirus pandemic. We are very aware of the potential impact from an outbreak, either within a local area or within a business facility and have invested to reduce that risk. Primarily, we are encouraging staff to follow additional hygiene advice and enforcing an increased standard of care. In support of this we have adapted facilities to help facilitate social distancing and prevent possible transmission. In several facilities temperature-checking is employed and testing is available to all staff. Many of our administration and non-operational staff continue to work from home. The situation remains under leadership review.

We are still early days in the coronavirus pandemic with no definite cure around the corner which together with the related measures taken globally could well result in a recession requiring further creative thinking across the Group to ensure we deliver the right products at the right value.

Going concern

The directors have considered the status of the Group as a going concern and are satisfied it will continue in business for the foreseeable future. To reach this conclusion the directors considered the business activities of the Company and Group and the principal risks and uncertainties as set out above, with particular regard to the impact of the coronavirus pandemic.

The Group continued to trade profitably as the coronavirus pandemic emerged in the United Kingdom with its retail and many of its wholesale customers remaining open during the lockdown period. Demand for produce surged during lockdown as UK consumers were unable to access broader food service and hospitality offerings. The Group continued to source, store, package and transport product from suppliers to customers through its existing logistics partners and by establishing a safe working environment to enable staff to continue working. The Group's supply chain and operations continued to operate effectively with suitable precautions taken to create a safe working environment for staff. Having successfully traded through the challenging lockdown period and beyond without any indication that its principal retail and many of its wholesale customers should not also continue to trade successfully, the directors see no reason why the Group should not be able to continue to perform to expectations as the pandemic continues.

However, as a precaution, the directors have also prepared cash flow forecasts out to April 2022 under a range of scenarios which show that the Group could continue to trade as a going concern across these scenarios within the existing finance facilities.

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

Business performance

Each company in the group has a defined strategy and measures performance with specific KPIs developed as appropriate. The Fresca Group Board maintains an overview using base KPIs which cover both financial and non-financial measures. Each company is monitored using performance target data to include combinations of indicators like case volume data, turnover, gross margin, operating costs and waste. Gross margin is measured down to individual product level to provide enhanced detail and visibility.

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

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

Shareholders

The business' shareholders include a mix of family and previous employees as well as SIP and ESOP trusts, the trustee of which is The Fresca ESOP Limited. All shareholders enjoy dividends according to shares held. In the year the Group made the unusual decision not to declare an interim dividend with the broader business facing up to several exceptional and increased costs as described earlier on in this report as well as the uncertainty around the coronavirus pandemic.

Strategic report cont.

Period from 27 April 2019 to 24 April 2020

Section 172 Statement

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

(a) the likely consequences of any decision in the long term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

In January 2020 the Group approved a well-considered strategy following broad consultation. The strategic review process has helped shape our businesses and direct focus for the future. A rolling three-year business plan runs parallel to the strategy and promotes the success of the company for the benefit of our members. The strategic review process and related actions have supported resilience and flexibility through the coronavirus pandemic.

As described in the Directors' Report we actively engage with and support our employees as a responsible employer. We also consider health, safety and welfare as our primary responsibility with structure and process to support this. Each site is resourced to support this and all board meetings consider health, safety and welfare as a primary agenda item.

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

We actively consider the many communities we impact. Fresca companies continue to support foodbank charities like FareShare with our principal sites proud of their 'zero waste to landfill' achievements. Further afield, we encourage and acknowledge the work of our growers who are improving facilities and services in their own communities in pursuit of a better and more sustainable future. We are also proud of our attention and commitment to prevent modern slavery from impacting our industry and our operations. As reported in our Director's Report our sites are increasingly energy efficient as a result of investments made; our strategy specifically considers opportunities to further improve our energy efficiency and reduce our reliance on fossil fuels.

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

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

Future developments

With efficiency and stability returned to The Fresh Produce Centre, attention has turned to investment required at the site to help support growth. Capital expenditure will follow on facility improvements through the coming year, particularly in support of the increasing requirement to ripen and pack avocados with a ripening centre of excellence planned that will deliver improved efficiency and quality. The company is also ending its lease agreement for long term cold storage space on a third-party site in favour of returning greater volumes to its own facility. This will further secure The Fresh Produce Centre as a reliable partner for both retail and grower customers.

At DGM Growers with the new site performing to expectations attention turns to the implementation of a new ERP system at this site across 2020 and early 2021. This in turn will allow the business to secure further operational efficiencies and will support further growing capacity.

An offer has been accepted and the sale of our shareholding in Wallings Property Limited and Wallings Holdings Limited, collectively referred to as Wallings, was completed in July 2020.

The Group is targeting additional opportunities during the year to extend its reach in high tech UK production. This will see Fresca exploring new sectors to broaden our market reach and our customer touchpoints.

A further notable change for Fresca Group during 2020/2021 is the engagement of a new Group Chief Executive. This is my final report in this role.

I will remain a Director on the Fresca Group board and will be focusing on key strategic opportunities. We welcome Martyn Fletcher to the company as Group Chief Executive from 3 August 2020 and wish him every success with Fresca.

I also want to thank Tim Espley for his unfailing commitment and support including as Managing Director of The Fresh Produce Centre over the last year and his prior service to Fresca Group. Tim retired in May and I wish him well for the future.

With a strengthened Board of Directors and our companies all in good health and remaining extremely busy, the outlook for Fresca Group is good. Our teams continue to deliver, despite unpredictable and challenging external influences. My sincere thanks to all who have contributed to this most unusual of years.

Ian Craig
Director

Approved by the Directors on 7 September 2020

Directors' report

Period from 27 April 2019 to 24 April 2020

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

C P Mack (Chairman)
I A Craig
M P Fletcher (appointed 3 August 2020)
N J Trood (resigned 31 May 2019)
B G Sumner
S J Hodson (non-executive)
E McMeikan (non-executive)

fresca® Group

Principal activities

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

Qualifying third party indemnity provisions

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

Results and dividends

The loss for the period, after taxation and minority interests, amounted to £756,000 (2019 profit: £3,979,000).

Dividends of £851,778 were paid during the period (2019: £1,402,928) and the directors recommend a final dividend of 1.1p per share (2019: 1.36p)

Donations

Companies within the Fresca Group support a number of local charities on a divisional basis. During the period the Group made £6,324 of charitable donations (2019: £4,172)

Likely future developments in the business

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

Employee involvement, diversity and development

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

The Fresca Group also has consultative committees at its larger locations, with members drawn from across the business, representing the views of employees. The Group has an employee communication app as an additional tool for employees to connect with the business. As a minimum, news regarding financial performance and economic factors affecting the business is shared with all employees annually, or more frequently if appropriate.

The Fresca Group offers an all employee Share Incentive Plan trust to encourage active investment by qualifying employees in the business. This trust as well as The Fresca ESOP trust are managed by The Fresca ESOP Limited which effectively controls a significant proportion of the shares in the company (42.6% as at 24 April 2020). Both trusts are protected under trust deeds that exist for the benefit of employees of the Fresca Group businesses.

All employees receive equal opportunities for training and career development.

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

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

Environment

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 donors for foodbank charities like FareShare, with our principal sites proud of their 'zero waste to landfill' achievement.

Directors' report cont.

Period from 27 April 2019 to 24 April 2020

Streamlined Energy & Carbon Reporting

The companies in Fresca Group have implemented several significant energy initiatives throughout the financial reporting year and the data collected corresponds with this timescale.

Item reported	*Units*	*Current reporting year (2019/2020)*
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1)	tCO2e	836.00
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2)	tCO2e	4,332.85
Total Scope 1 & 2 emissions	tCO2e	5,168.85
Energy consumption used to calculate above emissions	kWh	19,235,167.45
Intensity measurement	£M	382.60
Intensity ratio	tCO2e/£M	13.51
Total gas usage	kWh	851,347.92
Total electricity usage	kWh	15,625,139.96
On site transport usage	kWh	498,149.51
Transport usage	kWh	2,260,530.06
Total gas usage	tCO2e	156.54
Total electricity usage	tCO2e	4,332.85
On site transport usage	tCO2e	127.91
Transport usage	tCO2e	551.55

Quantification & reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. We have also used the 2020 UK Government's Conversion Factors for Company Reporting.

The primary source for energy consumption is invoices. Where invoices are not in line with the financial year a pro rata calculation has been used to estimate the usage which falls within the reporting period. Mileage data was used to calculate transport usage. All gas oil usage has been included as it was deemed that the majority of this is used by on site transport.

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £M turnover.

Measures taken to improve energy efficiency

Energy Saving Opportunity Scheme (ESOS) audits have been completed at two sites during the year in report, with recommendations regarding heating and cooling systems either implemented or under consideration for capital expenditure projects during 2020/21.

The Group completed two significant building projects during the year, both of which have improved the energy performance of our operations.

The new facilities brought into commission all include improved building insulation, sensor-driven LED lighting and improved refrigeration technology.

All buildings in Fresca Group ownership have been assessed for solar energy viability. Two sites have progressed further to surveying stage and project proposals are expected during 2020/21.

The companies in Fresca Group only buy energy from renewable sources.

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

Price risk

Prices of fresh produce are subject to the vagaries of both demand and supply, both of which are often weather related.

The Group expects group entities to manage this risk sensibly, securing long term fixed price contracts when appropriate or by trading in the open market. Circumstances vary across group entities and multiple seasonal changeovers. The Group recognises and understands this and as such there is no central policy, but rather bespoke policies across each group entity.

Credit risk

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

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

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

Liquidity risk

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

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

Cash flow risk

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

Directors' report cont.

Period from 27 April 2019 to 24 April 2020

Financial risk management objectives and policies

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

Interest rate risk

The Group is exposed to cash flow interest rate risk from long term borrowings at variable rate. It is currently group policy to match finance and asset terms. To this end the Group has secured several fixed term loans as well as a short-term revolving loan; all in sterling. This policy and the related borrowings are managed centrally. Normally the Group raises long term borrowings at floating rates and then swaps them into fixed to ensure interest rate risk is locked in and understood.

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

Currency risk

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

Research and development activities

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

Post balance sheet events

Since the year end the Group has appointed an additional director to the business. Martyn Fletcher has been appointed as the Group Chief Executive from 3 August 2020. The previous Group Chief Executive, Ian Craig, remains a director with particular responsibility for strategic projects.

On 30 July 2020 the Group disposed of their shareholding in Wallings Property Limited and Wallings Holding Limited.

The Group continues to maintain additional hygiene requirements and increased standards of care to mitigate against the risks associated with the coronavirus pandemic.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies for the Group's financial statements and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

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

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

Auditors

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

This report was approved by the board on 7 September 2020 and signed on its behalf.

B G Sumner
Director

Auditor's report

Period from 27 April 2019 to 24 April 2020

Opinion

We have audited the financial statements of Fresca Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 24 April 2020 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 24 April 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's report cont.

Period from 27 April 2019 to 24 April 2020

Auditor's responsibilities for the audit of the financial statements

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

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

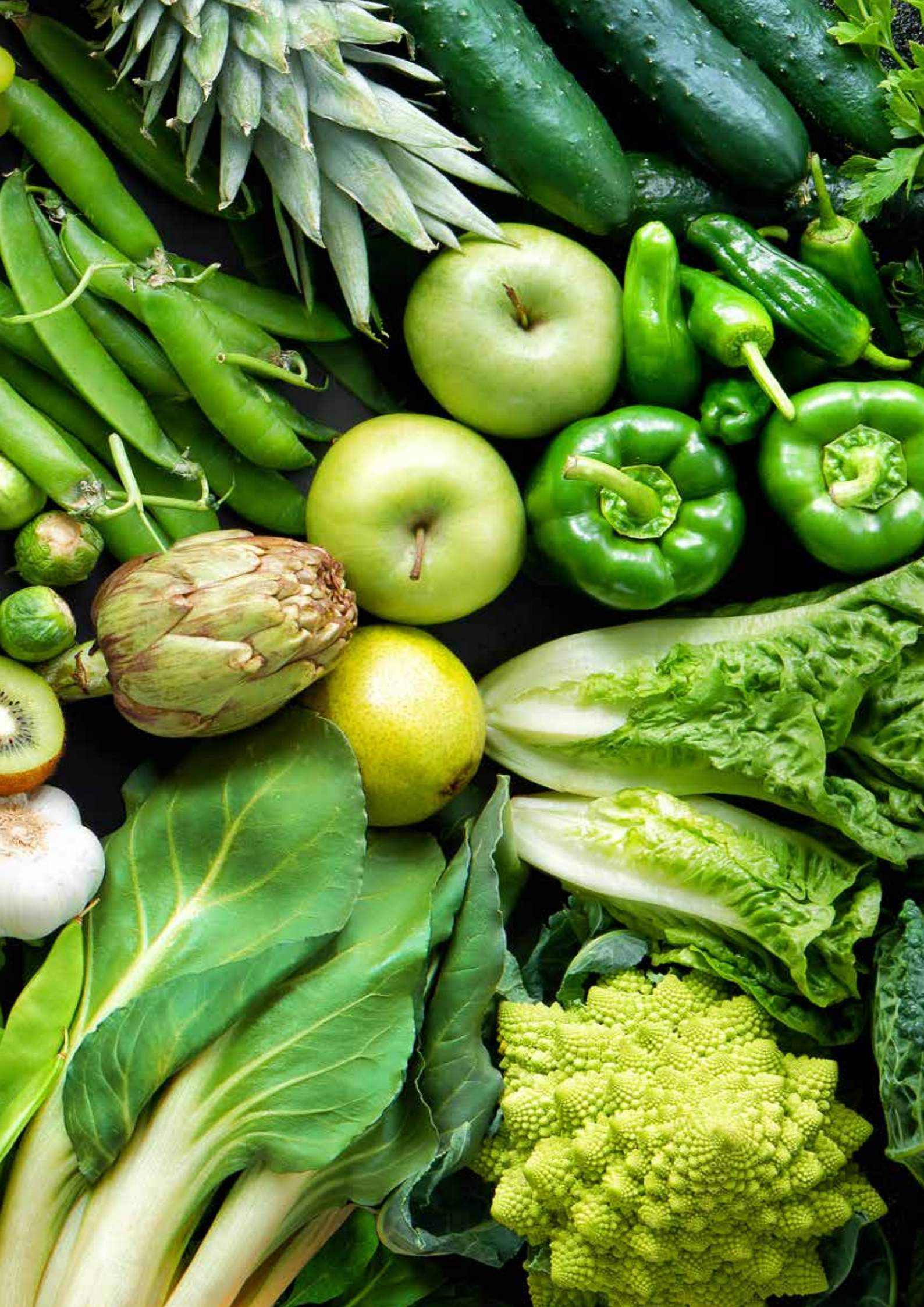
https://www.frc.org.uk/auditorsresponsibilities.
This description forms part of our auditor's report.

Use of our report

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

David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton, United Kingdom
September 2020

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



CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 24 APRIL 2020

	Note	**Period 24 April 2020 £000**	Period 26 April 2019 £000
Turnover			
Group and share of joint ventures' turnover		**454,096**	444,451
Less: share of joint ventures' turnover		**(71,506)**	(80,074)
Group turnover	4	**382,590**	364,377
Cost of sales		**(364,037)**	(345,249)
Gross profit		**18,553**	19,128
Operating expenses		**(15,482)**	(12,948)
Exceptional operating expenses	5	**(2,012)**	-
Operating profit	6	**1,059**	6,180
Share of losses for year of joint ventures		**(306)**	(417)
Share of (losses)/profits for year of associates		**(193)**	366
Interest receivable and similar income	11	**50**	41
Interest payable and similar expenses	12	**(639)**	(592)
(Loss)/profit before tax		**(29)**	5,578
Tax on (loss)/profit	13	**(718)**	(1,590)
(Loss)/profit for the financial period		**(747)**	3,988
(Loss)/profit for the period attributable to:			
Non-controlling interests		**9**	9
Owners of the parent		**(756)**	3,979
		(747)	3,988

The notes on pages 38 to 74 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 24 APRIL 2020

	Period 24 April 2020 £000	Period 26 April 2019 £000
(Loss)/profit for the financial period	**(747)**	3,988
Other comprehensive income		
Currency translation differences	**(6)**	7
Movement on cash flow hedge	**63**	20
Deferred tax movement on derivative financial instruments	**-**	(4)
Other comprehensive income for the period	**57**	23
Total comprehensive income for the period	**(690)**	4,011
Total comprehensive income attributable to:		
Non-controlling interest	**9**	9
Owners of the parent Company	**(929)**	4,002
	(920)	4,011

The notes on pages 38 to 74 form part of these financial statements.

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

CONSOLIDATED BALANCE SHEET
AS AT 24 APRIL 2020

	Note		24 April 2020 £000		26 April 2019 £000
Fixed assets					
Intangible assets	15		**2,152**		3,258
Tangible assets	16		**46,929**		43,531
Investments	17		**9,469**		10,979
			58,550		57,768
Current assets					
Stocks	18	**11,301**		12,591	
Debtors: amounts falling due after more than one year	19	**531**		512	
Debtors: amounts falling due within one year	19	**47,237**		43,362	
Cash at bank and in hand	20	**9,619**		8,503	
		68,688		64,968	
Creditors: amounts falling due within one year	21	**(55,062)**		(51,766)	
Net current assets			**13,626**		13,202
Total assets less current liabilities			**72,176**		70,970
Creditors: amounts falling due after more than one year	22		**(10,060)**		(8,055)
Provisions for liabilities					
Deferred taxation	25		**(1,650)**		(1,512)
Net assets			**60,466**		61,403

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 24 APRIL 2020

	Note	**24 April 2020 £000**	26 April 2019 £000
Capital and reserves			
Called up share capital	26	**1,253**	1,253
Revaluation reserve	29	**69**	69
Merger reserve	29	**2,618**	2,618
Foreign exchange reserve	29	**1**	7
Profit and loss account	29	**80,056**	81,325
Share based payment reserve	29	**3,120**	2,718
Hedge reserve	29	**65**	2
ESOP shares	29	**(26,850)**	(26,714)
Equity attributable to owners of the parent Company		**60,332**	61,278
Non-controlling interests		**134**	125
		60,466	61,403

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2020.

C P Mack (Chairman)
Director

B G Sumner
Director

The notes on pages 38 to 74 form part of these financial statements.

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

COMPANY BALANCE SHEET
AS AT 24 APRIL 2020

	Note		**24 April 2020 £000**		26 April 2019 £000
Fixed assets					
Intangible assets	15		**1,900**		2,933
Tangible assets	16		**867**		1,250
Investments	17		**14,511**		14,305
			17,278		18,488
Current assets					
Debtors: amounts falling due after more than one year	19	**531**		512	
Debtors: amounts falling due within one year	19	**17,342**		22,187	
Cash at bank and in hand	20	**4,679**		306	
		22,552		23,005	
Creditors: amounts falling due within one year	21	**(10,069)**		(11,704)	
Net current assets			**12,483**		11,301
Total assets less current liabilities			**29,761**		29,789
Provisions for liabilities					
Deferred taxation	25		**(102)**		(308)
Net assets			**29,659**		29,481

FRESCA GROUP LIMITED
REGISTERED NUMBER: 05307204

COMPANY BALANCE SHEET (CONTINUED)
AS AT 24 APRIL 2020

	Note	**24 April 2020 £000**	26 April 2019 £000
Capital and reserves			
Called up share capital	26	**1,253**	1,253
ESOP shares	29	**(26,850)**	(26,714)
Share based payment reserve	29	**3,120**	2,718
Profit and loss account carried forward		**52,136**	52,224
		29,659	29,481

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

The profit recorded in the accounts of Fresca Group Limited for the year ended 24 April 2020 is £425,000 (2019: profit of £2,380,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2020.

C P Mack (Chairman)
Director

B G Sumner
Director

The notes on pages 38 to 74 form part of these financial statements.

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

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

The notes on pages 38 to 74 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 26 APRIL 2019

	Called up share capital	ESOP share reserve	Revaluation reserve	Hedge reserve	Foreign exchange reserve	Share based payment reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 28 April 2018	1,253	(26,479)	69	(14)	-	2,308	2,618	78,191	57,946	116	58,062
Comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	3,979	3,979	9	3,988
Movement in cash flow hedges	-	-	-	20	7	-	-	-	27	-	27
Taxation in respect of other comprehensive income	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Other comprehensive income for the period	-	-	-	16	7	-	-	-	23	-	23
Total comprehensive income for the period	-	-	-	16	7	-	-	3,979	4,002	9	4,011
Dividends	-	-	-	-	-	-	-	(845)	(845)	-	(845)
Purchase of shares by ESOP	-	(235)	-	-	-	-	-	-	(235)	-	(235)
Share based payment credit	-	-	-	-	-	410	-	-	410	-	410
Total transactions with owners	-	(235)	-	-	-	410	-	(845)	(670)	-	(670)
At 26 April 2019	1,253	(26,714)	69	2	7	2,718	2,618	81,325	61,278	125	61,403

The notes on pages 38 to 74 form part of these financial statements.

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

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

The notes on pages 38 to 74 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 26 APRIL 2019

	Called up share capital	ESOP share reserve	Share based payment reserve	Profit and loss account as restated	Total equity
	£000	£000	£000	£000	£000
At 27 April 2018	1,253	(26,479)	2,308	50,689	27,771
Comprehensive income for the period					
Profit for the period	-	-	-	2,380	2,380
Contributions by and distributions to owners					
Dividends	-	-	-	(845)	(845)
Purchase of shares by ESOP	-	(235)	-	-	(235)
Share based payment credit	-	-	410	-	410
Total transactions with owners	-	(235)	410	(845)	(670)
At 26 April 2019	1,253	(26,714)	2,718	52,224	29,481

The notes on pages 38 to 74 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 24 APRIL 2020

	24 April 2020 £000	26 April 2019 £000
Cash flows from operating activities		
(Loss)/profit for the financial period	**(747)**	3,988
Adjustments for:		
Amortisation and impairment of intangible assets	**1,397**	409
Depreciation of tangible assets	**2,361**	2,792
Impairment of investments	**-**	25
Loss/(profit) on disposal of tangible assets	**130**	(13)
Interest payable	**639**	592
Interest receivable	**(50)**	(41)
Taxation charge	**718**	1,590
Decrease in stocks	**1,290**	495
(Increase)/decrease in debtors	**(3,748)**	7,809
Increase/(decrease) in creditors	**6,765**	(8,016)
Share of operating loss/(profit) in associates and joint ventures	**499**	51
Corporation tax paid	**(1,180)**	(1,811)
Share based payment charges	**402**	410
Interest paid	**(402)**	(323)
Net cash generated from operating activities	**8,074**	7,957
Cash flows from investing activities		
Purchase of intangible fixed assets	**(8)**	(280)
Purchase of tangible fixed assets	**(6,013)**	(10,607)
Sale of tangible fixed assets	**48**	25
Purchase of shares in joint ventures	**(136)**	(829)
Interest received	**46**	37
Dividends received from joint ventures	**900**	1,500
Business combinations	**-**	756
Net cash from investing activities	**(5,163)**	(9,398)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 24 APRIL 2020

	24 April 2020 £000	26 April 2019 £000
Cash flows from financing activities		
Purchase of own shares by ESOP	**(136)**	(235)
New bank loans	**4,900**	6,550
Repayment of bank loans	**(5,340)**	(1,900)
Repayment of finance leases	**(706)**	(788)
Dividends paid	**(513)**	(845)
Net cash used in financing activities	**(1,795)**	2,782
Net increase in cash and cash equivalents	**1,116**	1,341
Cash and cash equivalents at beginning of period	**8,503**	7,162
Cash and cash equivalents at the end of period	**9,619**	8,503
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**9,619**	8,503
	9,619	8,503

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 24 APRIL 2020

	At 26 April 2019 £000	**Cash flows £000**	**New finance leases £000**	**At 24 April 2020 £000**
Cash at bank and in hand	**8,503**	**1,116**	**-**	**9,619**
Debt due after 1 year	**(7,485)**	**(2,110)**	**-**	**(9,595)**
Debt due within 1 year	**(5,340)**	**2,550**	**-**	**(2,790)**
Finance leases	**(1,460)**	**706**	**(207)**	**(961)**
	(5,782)	**2,262**	**(207)**	**(3,727)**

The notes on pages 38 to 74 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 APRIL 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies (see note 3).

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

Parent Company disclosure exemptions

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

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

The following principal accounting policies have been applied:

2. Accounting policies (continued)

2.2 Going concern

The financial statements have been prepared on the going concern basis. In adopting the going concern basis, the directors have considered the business activities of the Group and the principal risks and uncertainties as set out in the Strategic Report, and in particular the impact of COVID-19. The Group continued to trade profitably as COVID-19 emerged in the United Kingdom, principally as a result of its customers being UK based food retailers who remained open during the lockdown period. Demand for produce increased during lockdown as UK consumers were unable to access broader food service and hospitality offerings, although initial surges caused by panic buying have subsided and trade has returned to near normal activity levels. The Group successfully continued to source, store package and transport product from suppliers to its customers through its existing logistics partners and by establishing a safe working environment to enable staff to continue working. Having successfully traded through recent months and without any indication that its principal customers should not also continue to trade successfully, the directors see no reason why the Group should not be able to continue to perform to expectations as the pandemic continues. However, as a precaution, they have also prepared cash flow forecasts out to April 2022 under a range of scenarios which show that the Group could continue to trade within existing financing facilities.

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

2.3 Basis of consolidation

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

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

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

2. Accounting policies (continued)

2.4 Associates and joint ventures

Associates

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

Joint ventures

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

2.5 Revenue recognition

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

2.6 Cost of sales

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

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to the consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Exceptional items

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

2. Accounting policies (continued)

2.10 Dividends

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

2.11 Intangible assets

Goodwill

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

Amortisation - Immediate to 20 years

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided on the following basis:

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

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

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

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

2. Accounting policies (continued)

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.17 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

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

(ii) Financial liabilities

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

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

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

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

2. Accounting policies (continued)

2.17 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.

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

2.18 Creditors

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

2.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.20 Dividend income received by the ESOP

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

2. Accounting policies (continued)

2.21 ESOP shares

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

2.22 Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

2.23 Share based payments

When shares and share options are awarded to employees a charge is made to the profit and loss account based upon the fair value of options granted. The fair value is measured at the date of grant and spread over the 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.

2.24 Operating leases: the Group as lessee

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

2.25 Leased assets: the Group as lessee

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

2.26 Pensions - Defined contribution scheme

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

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

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

- Determined whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determined whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Determined whether the Employee Share Ownership Plan (ESOP) should be considered to be under the control or de facto control of the parent company. The judgement that the parent company does exert de facto control has resulted in the ESOP's assets and liabilities being recognised on the parent company and consolidated balance sheets.

Other key sources of estimation uncertainty:

- Consignment provisions

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

- Tangible fixed assets

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

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

- Investments

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

4. Turnover

Analysis of turnover by country of destination:

	Period 24 April 2020 £000	Period 26 April 2019 £000
United Kingdom	**379,317**	362,584
Rest of Europe	**981**	250
Rest of the world	**2,292**	1,543
	382,590	364,377

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

5. Exceptional operating expenses

	Period 24 April 2020 £000	Period 26 April 2019 £000
Redundancy costs	**1,086**	-
Software impairment	**500**	-
Dilapidation provisions	**426**	-
	2,012	-

6. Operating profit

Operating profit is stated after charging/(crediting):

	Period 24 April 2020 £000	Period 26 April 2019 £000
Amortisation of intangible assets, including goodwill	**897**	340
Impairment of intangible assets, including goodwill	**500**	69
Depreciation of tangible fixed assets - owned	**1,993**	2,536
Depreciation of tangible fixed assets - hire purchased	**368**	256
Loss/(profit) on disposal of fixed assets	**130**	(13)
Amortisation and impairment of investments	**334**	334
Exchange differences	**(1,113)**	(646)
Other operating lease rentals	**1,732**	2,093

7. Auditor's remuneration

	Period 24 April 2020 £000	Period 26 April 2019 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	**8**	8
Fees payable to the company's auditor for the audit of the company's subsidiaries	**116**	110
Total audit fees	**124**	118
Fees payable to the Group's auditor in respect of:		
Taxation compliance services	**40**	41
Other services relating to taxation	**15**	5
All other services	**1**	6
	56	52

8. Employees

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

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Wages and salaries	**32,459**	31,197	**3,884**	3,813
Social security costs	**3,154**	2,949	**441**	465
Share based payment	**402**	410	**196**	175
Cost of defined contribution scheme	**1,610**	1,482	**244**	258
	37,625	36,038	**4,765**	4,711

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

	Group Period 24 April 2020 No.	Group Period 26 April 2019 No.	**Company Period 24 April 2020 No.**	Company Period 26 April 2019 No.
Distribution	**810**	789	**-**	-
Administrative	**161**	161	47	46
	971	950	47	46

9. Directors' remuneration

	Period 24 April 2020 £000	Period 26 April 2019 £000
Directors' emoluments	**1,399**	1,649
Company contributions to defined contribution pension schemes	**9**	40
Amounts paid to third parties in respect of directors' services	**29**	29
	1,437	1,718

During the period retirement benefits were accruing to three directors (2019 - four) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £646,000 (2019 - £598,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

During the period no directors exercised share options (2019: NIL).

10. Key management compensation

	24 April 2020 £000	26 April 2019 £000
Salaries and other short term benefits	**6,868**	6,641
Company contributions to defined contribution pension scheme	**541**	604
Share based payments	**402**	410
	7,811	7,655

11. Interest receivable

	Period 24 April 2020 £000	Period 26 April 2019 £000
Share of joint ventures' interest receivable	**3**	3
Share of associates' interest receivable	**1**	1
Other interest receivable	**46**	37
	50	41

12. Interest payable and similar expenses

	Period 24 April 2020 £000	Period 26 April 2019 £000
Bank interest payable	**358**	258
Finance leases and hire purchase contracts	**44**	65
Share of joint ventures	**60**	55
Share of associates	**177**	214
	639	592

13. Taxation

	Period 24 April 2020 £000	Period 26 April 2019 £000
Corporation tax		
Current tax on profits for the year	**418**	1,207
Adjustments in respect of previous periods	**(267)**	(493)
	151	714
Foreign tax	**141**	74
Tax in respect of ESOP	**212**	210
Total current tax	**504**	998
Deferred tax		
Origination and reversal of timing differences	**(101)**	112
Adjustments in respect of previous periods	**55**	410
Effect of rate change on opening liability	**184**	-
Total deferred tax	**138**	522
Other tax		
Joint venture taxation	**146**	41
Associate taxation	**(70)**	29
Taxation on profit on ordinary activities	**718**	1,590

13. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	Period 24 April 2020 £000	Period 26 April 2019 £000
(Loss)/profit on ordinary activities before tax	**(29)**	5,578
Share of joint ventures' loss before taxation	**365**	470
Share of associate's loss/(profit) before taxation	**368**	(153)
	704	5,895
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**134**	1,120
Effects of:		
Expenses not deductible for tax purposes	**184**	208
Non taxable group income	**(8)**	-
Adjustments to tax charge in respect of prior periods	**(267)**	(489)
Adjustments to deferred tax charge in respect of previous periods	**55**	410
Tax movement arising from exercise of employee options	**67**	63
Different tax rate on deferred tax	**175**	(8)
Different tax rate on current tax	**-**	40
Effects of different tax rates of subsidiaries operating in other jurisdictions	**1**	1
Foreign tax credits	**142**	68
Deferred tax rate changes	**9**	-
Additional rate of income tax in respect of ESOP	**150**	105
Non-tax deductible amortisation of goodwill and impairment	**-**	2
Share of joint ventures' tax charge	**146**	41
Share of associates' tax charge	**(70)**	29
Total tax charge for the period	**718**	1,590

13. Taxation (continued)

Factors that may affect future tax charges

The Finance Bill 2020 was substantively enacted on 17 March 2020 and the main rate of corporation tax was maintained at 19% until 1 April 2022, reversing the previous reduction to 17%. Deferred tax balances have therefore been recognised at 19%. The impact of the restatement of the deferred tax balances due to the change in tax rate have been recognised in the tax expense in the profit and loss.

14. Dividends

The following dividends have been paid in respect of the year

	24 April 2020 £000	26 April 2019 £000
Final dividend in respect of previous year 1.36p (2019: 1.36p) on 62,630,720 2p ordinary shares	**852**	852
Interim dividend in respect of current year Nil (2019: 0.88p) on 62,630,720 2p ordinary shares	**-**	551
Dividend income received by ESOP	**(339)**	(558)
	513	845

A final dividend of 1.1p per share is proposed (2019: 1.36p per share). This is not included in the above figures in accordance with Financial Reporting Standard 102.

15. Intangible assets

Group

	Varietal rights £000	Computer software £000	Goodwill £000	Total £000
Cost				
At 27 April 2019	**171**	**4,403**	**5,905**	**10,479**
Additions	**-**	**24**	**-**	**24**
Disposals	**(16)**	**-**	**-**	**(16)**
Reclassified from tangible assets	**-**	**320**	**-**	**320**
At 24 April 2020	**155**	**4,747**	**5,905**	**10,807**
Amortisation				
At 27 April 2019	**47**	**1,416**	**5,758**	**7,221**
Charge for the year	**33**	**840**	**24**	**897**
Reclassified from tangible assets	**-**	**37**	**-**	**37**
Impairment charge	**-**	**500**	**-**	**500**
At 24 April 2020	**80**	**2,793**	**5,782**	**8,655**
Net book value				
At 24 April 2020	**75**	**1,954**	**123**	**2,152**
At 26 April 2019	124	2,987	147	3,258

15. Intangible assets (continued)

Company

	Computer software £000
Cost	
At 27 April 2019	**4,353**
Additions	**24**
Reclassified from tangible assets	**320**
At 24 April 2020	**4,697**
Amortisation	
At 27 April 2019	**1,420**
Charge for the year	**840**
Reclassified from tangible assets	**37**
Impairment charge	**500**
At 24 April 2020	**2,797**
Net book value	
At 24 April 2020	**1,900**
At 26 April 2019	2,933

16. Tangible fixed assets

Group

	Land & buildings £000	Assets in course of construction £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation						
At 27 April 2019	**25,618**	**19,497**	**28,278**	**641**	**11,826**	**85,860**
Additions	**24**	**4,346**	**1,264**	**21**	**565**	**6,220**
Disposals	**(277)**	**-**	**(5,639)**	**(30)**	**(1,543)**	**(7,489)**
Transfers between classes	**23,831**	**(23,843)**	**12**	**-**	**-**	**-**
Reclassified to intangible assets	**-**	**-**	**-**	**-**	**(320)**	**(320)**
At 24 April 2020	**49,196**	**-**	**23,915**	**632**	**10,528**	**84,271**
Depreciation						
At 27 April 2019	**9,408**	**-**	**23,241**	**363**	**9,317**	**42,329**
Charge for the period on owned assets	**603**	**-**	**726**	**80**	**584**	**1,993**
Charge for the period on financed assets	**-**	**-**	**353**	**-**	**15**	**368**
Disposals	**(150)**	**-**	**(5,596)**	**(30)**	**(1,535)**	**(7,311)**
Transfers between classes	**(6)**	**-**	**6**	**-**	**-**	**-**
Reclassified to intangible assets	**-**	**-**	**-**	**-**	**(37)**	**(37)**
At 24 April 2020	**9,855**	**-**	**18,730**	**413**	**8,344**	**37,342**
Net book value						
At 24 April 2020	**39,341**	**-**	**5,185**	**219**	**2,184**	**46,929**
At 26 April 2019	16,210	19,497	5,037	278	2,509	43,531

The net book value of fixed assets of £46.9 million (2019: £43.5 million) includes an amount of £1.7 million (2019: £2.3 million) in respect of assets held under hire purchase contracts. All assets form part of the security to Lloyds Bank plc for Group borrowings.

Included in land and buildings is freehold land classified as an investment property of £0.4m (2019: £0.4m) the fair value has been reviewed based on evidence for similar land sold in the local area.

16. Tangible fixed assets (continued)

Land and buildings

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

The net book value of land and buildings comprises

	24 April 2020 £000	26 April 2019 £000
Freehold land	**3,719**	3,719
Freehold buildings	**33,742**	10,793
Long leasehold properties (over 50 years)	**1,484**	1,253
Short leasehold properties	**396**	445
	39,341	16,210

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

	24 April 2020 £000	26 April 2019 £000
Net book value at end of year	**39,337**	16,206
Historical cost	**46,680**	22,831
Depreciation	**(9,077)**	(8,779)
Historical cost net book value at end of year	**37,603**	14,052

16. Tangible fixed assets (continued)

Company

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 27 April 2019	**162**	**4,859**	**5,021**
Additions	**-**	**194**	**194**
Disposals	**(37)**	**(287)**	**(324)**
Reclassified to intangible assets	**-**	**(320)**	**(320)**
At 24 April 2020	**125**	**4,446**	**4,571**
Depreciation			
At 27 April 2019	**145**	**3,626**	**3,771**
Charge for the period on owned assets	**6**	**308**	**314**
Disposals	**(37)**	**(307)**	**(344)**
Reclassified to intangible assets	**-**	**(37)**	**(37)**
At 24 April 2020	**114**	**3,590**	**3,704**
Net book value			
At 24 April 2020	**11**	**856**	**867**
At 26 April 2019	17	1,233	1,250

17. Fixed asset investments

Group

	Investment in joint ventures £000	Investments in associates £000	Total £000
Cost or valuation			
At 27 April 2019	**13,513**	**4,654**	**18,167**
Additions	**136**	**-**	**136**
Share of profit/(loss)	**(1,012)**	**(300)**	**(1,312)**
At 24 April 2020	**12,637**	**4,354**	**16,991**
Amortisation and impairment			
At 27 April 2019	**7,188**	**-**	**7,188**
Charge for the period	**334**	**-**	**334**
At 24 April 2020	**7,522**	**-**	**7,522**
Net book value			
At 24 April 2020	**5,115**	**4,354**	**9,469**
At 26 April 2019	6,325	4,654	10,979

Dividends of £900,000 (2019: £1,500,000) were received from the joint venture companies during the year.

17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation				
At 27 April 2019	**6,546**	**1,004**	**6,755**	**14,305**
Additions	**870**	**-**	**136**	**1,006**
At 24 April 2020	**7,416**	**1,004**	**6,891**	**15,311**
Impairment				
Charge for the period	**570**	**230**	**-**	**800**
At 24 April 2020	**570**	**230**	**-**	**800**
Net book value				
At 24 April 2020	**6,846**	**774**	**6,891**	**14,511**
At 26 April 2019	6,546	1,004	6,755	14,305

17. Fixed asset investments (continued)

Direct subsidiary undertakings

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

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

Name	Principal activity	Class of shares	Holding
Primafruit Limited (1)	Sourcing, marketing, and selling of fresh fruit	Ordinary	100%
Fresca Development Limited	Construction	Ordinary	100%
Fresca Development Property Limited	Property leasing	Ordinary	100%
M.& W.Mack Limited	Sourcing, marketing, packaging and selling of fresh fruit and vegetables	Ordinary	100%
Thanet Earth Investments Limited	Site development	Ordinary	100%
Wallings Property Limited	Leasing of land and tangible fixed assets	Ordinary	75%
The Fresh Produce Centre Limited	Sourcing, marketing, and selling of fresh fruit	Ordinary	100%
Grape Evolution Limited	Marketing of grape varietals	Ordinary	100%
Blue River International Limited *	Sourcing, marketing, packaging and selling of fresh fruit	Ordinary	100%
The Fresca ESOP Limited	Dormant	Ordinary	100%
Fresca Group South Africa (Pty) Limited (4)	Technical and quality assurance services	Ordinary	100%
Banafrut UK Limited	Dormant	Ordinary	100%

* Exempt from audit by virtue of S479A of Companies Act 2006.

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

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

17. Fixed asset investments (continued)

Associates and joint ventures

Name	Principal activity	Holding
Manor Fresh Limited (3)	Sourcing, marketing, packaging and selling of potatoes and vegetables	50%
Thanet Earth Holdings Limited, Thanet Earth Limited, Thanet Earth Construction Limited, Thanet Earth Estates Limited (2)	Group engaged in procurement, packaging and sale of salad products	50%
Wallings Holdings Limited	Group engaged in growing of strawberries	40%
Wallings Nursery Limited	Group engaged in growing of strawberries	40%
TG1 Holding Limited, Thanet Growers One Limited, Thanet Growers Three Limited, Thanet Growers Six Limited (2)	Group engaged in growing of vegetables	25%
Thanet Energy Limited (2)	Transmission of electricity	25%
Custom Plum Company Limited	Group engaged in marketing of fruit	50%
Custom Plum Company (Pty) Limited	Group engaged in marketing of fruit	50%
Fresquita Farms SAS (6)	Avocado Grower	50%
Cartama UK Limited	Sourcing, marketing, and selling of fresh fruit	50%

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

18. Stocks

	Group 24 April 2020 £000	Group 26 April 2019 £000
Raw materials and consumables	**11,301**	12,591

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

19. Debtors

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Due after more than one year				
Other debtors	**531**	512	**531**	512

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Due within one year				
Trade debtors	**41,412**	36,781	**260**	13
Amounts owed by Group undertakings	**-**	-	**14,574**	19,931
Amounts owed by joint ventures and associated undertakings	**927**	662	**679**	513
Other debtors	**1,708**	3,021	**222**	213
Prepayments and accrued income	**2,406**	2,260	**998**	901
Corporation tax	**784**	638	**609**	616
	47,237	43,362	**17,342**	22,187

20. Cash and cash equivalents

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Cash at bank and in hand	**9,619**	8,503	**4,679**	306
	9,619	8,503	**4,679**	306

21. Creditors: Amounts falling due within one year

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Bank loans	**2,790**	5,340	**-**	2,550
Trade creditors	**40,343**	34,490	**1,398**	919
Amounts owed to Group undertakings	**-**	-	**7,187**	6,897
Amounts owed to joint ventures and associated undertakings	**19**	4	**3**	-
Corporation tax	**157**	686	**-**	-
Income tax	**129**	130	**129**	130
Other taxation and social security	**1,233**	847	**284**	134
Obligations under finance lease and hire purchase contracts	**496**	890	**-**	-
Other creditors and accruals	**9,895**	9,379	**1,068**	1,074
	55,062	51,766	**10,069**	11,704

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

	Group 24 April 2020 £000	Group 26 April 2019 £000
Bank loans	**9,595**	7,485
Net obligations under finance leases and hire purchase contracts	**465**	570
	10,060	8,055

Bank loans

As at 24 April 2020, there were fixed term loans outstanding and a draw down from the Group's short- term hire purchase facilities. The details are as follows:

(a) Fresca Group Limited revolving loan and overdraft facilities

Fresca Group Limited renewed its net £3 million / gross £22 million overdraft facility with Lloyds Bank Plc on 12 February 2018. Interest on the net overdraft balance is calculated at base rate plus 1.35%.

(b) Fresca Group Limited revolving credit facility

Fresca Group Limited renewed its £5 million revolving credit facility with Lloyds Bank Plc on 28 February 2019. Drawdowns bear interest at the rate of three-month LIBOR plus 1.7%. Undrawn monies attract interest at the rate of 0.68%. At year end there was £nil drawn down (2019: £2.55 million).

(c) Fresca Group Limited hire purchase facility

Fresca Group Limited has access to a £4 million hire purchase facility with Lloyds Bank Plc which carries a standard 2% over bank base rate. At year end £0.96 million was due under related agreements (2019: £1.5 million).

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

M&W Mack Limited agreed a loan facility of £5.9 million with Lloyds Bank Plc to fund the acquisition and development of a new ERP system in July 2014. In June 2017 this loan facility was refinanced and replaced by a loan facility of £4.4 million with Lloyds Bank Plc, secured on certain Group land and buildings, with a term of 4 years and 16 quarterly repayments of £275,000. The loan carries a rate of interest of three-month LIBOR plus 1.7%. At year end the drawn down balance of the loan was £1.375 million (2019: £2.475 million).

(e) Fresca Development Limited fixed term loans

Fresca Development Limited had a loan facility of £6 million agreed by Lloyds Bank Plc to fund development of our Evesham site on 12 May 2015. The bank loan is secured on certain Group land and buildings and has a term of 5 years from June 2017 with 19 quarterly repayments of £200,000 and a final repayment of £2.2 million. The loan carries a rate of interest of three-month LIBOR plus 1.7%. At year end the drawn down balance of the loan was £3 million (2019: £3.8 million).

Fresca Development limited had another loan facility of £8.9 million agreed with Lloyds Bank Plc to fund further development at our Evesham site on 28 February 2019. The bank loan is secured on certain Group land and building and has a term of 5 years from May 2019 with 19 quarterly repayments of £222,500 and a final repayment of £4,672,500. The loan carries a rate of interest of three-month LIBOR plus 1.35%. At year end the drawn down balance of the loan was £8.01 million (2019: £4 million).

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

Loans

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Amounts falling due within one year				
Bank loans	**2,790**	5,340	**-**	2,550
Amounts falling due 1-2 years				
Bank loans	**1,965**	2,790	**-**	-
Amounts falling due 2-5 years				
Bank loans	**7,630**	4,695	**-**	-
	12,385	12,825	**-**	2,550

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

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 24 April 2020 £000	Group 26 April 2019 £000
Within one year	**496**	890
Between 1-5 years	**465**	570
	961	1,460

24. Financial instruments

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

	Group 24 April 2020 £000	Group 28 April 2019 £000
Financial liabilities		
Derivative financial liabilities	**66**	69

Derivative financial liabilities include interest rate swaps and forward foreign exchange contracts.

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

25. Deferred taxation

Group

	24 April 2020 £000	26 April 2019 £000
Liability		
At beginning of year	**(1,512)**	(1,123)
Charged to profit or loss	**46**	(522)
Arising on business combination	**-**	133
Rate changes	**(184)**	-
At end of year	**(1,650)**	(1,512)

Company

	24 April 2020 £000	26 April 2019 £000
(Liability)/asset at beginning of year	**(308)**	97
Charged to profit or loss	**239**	(405)
Rate changes	**(33)**	-
(Liability) at end of year	**(102)**	(308)

The provision for deferred taxation is made up as follows:

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Shortfall/(excess) of taxation allowances over depreciation on fixed assets	**(1,197)**	(1,197)	**(308)**	(308)
Tax losses carried forward	**(138)**	-	**206**	-
Other timing differences	**(315)**	(315)	**-**	-
(Liability)	**(1,650)**	(1,512)	**(102)**	(308)

26. Share capital

	24 April 2020 £000	26 April 2019 £000
Allotted, called up and fully paid		
62,630,720 (2019 - 62,630,720) Ordinary shares of £0.02 each	**1,253**	1,253

At 24 April 2020, the following options were outstanding over 2p ordinary shares:

Fresca Group Limited Approved and Qualifying Share Option Scheme

	Number of shares	**Vesting date**	**Expiry date**	**Exercise price (per share)**
30 September 2011	**93,170**	**30/09/2014**	**30/09/2021**	**0.700**
26 September 2012	**105,642**	**27/09/2015**	**27/09/2022**	**0.505**
29 November 2013	**102,779**	**29/11/2016**	**29/11/2023**	**0.687**
16 January 2015	**92,635**	**16/01/2018**	**16/01/2025**	**0.934**
13 January 2016	**432,069**	**13/01/2019**	**13/01/2026**	**1.100**
19 September 2017	**390,387**	**19/09/2020**	**19/09/2027**	**0.840**
7 December 2018	**159,314**	**07/12/2021**	**07/12/2028**	**0.620**
29 October 2019	**150,260**	**29/10/2022**	**29/10/2029**	**0.690**
	1,526,256			

Fresca Group Limited Unapproved and Supplementary Share Option Scheme

	Number of shares	**Vesting date**	**Expiry date**	**Exercise price (per share)**
30 September 2011	**41,830**	**30/09/2014**	**30/09/2021**	**0.700**
26 September 2012	**124,358**	**27/09/2015**	**27/09/2022**	**0.505**
29 November 2013	**347,221**	**29/11/2016**	**30/11/2023**	**0.687**
16 January 2015	**1,517,365**	**16/01/2018**	**16/01/2025**	**0.934**
13 January 2016	**1,267,931**	**13/01/2019**	**13/01/2026**	**1.100**
19 September 2017	**2,089,613**	**19/09/2020**	**20/09/2027**	**0.840**
7 December 2018	**2,070,686**	**07/12/2021**	**07/12/2028**	**0.620**
29 October 2019	**2,079,740**	**29/10/2022**	**29/10/2029**	**0.690**
	9,538,744			

27. Share based payment

Share options

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

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

	24 April 2020
Underlying price	**50.0p**
Exercise price	**80.4p**
Vesting period (years)	**3**
Expected volatility	**37.88%**
Expected life (years)	**4.16**
Risk-free interest rate	**0.62%**
Dividend yield	**1.77%**
Weighted average fair value per option	**38.6p**

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

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

	24 April 2020	**24 April 2020**	**26 April 2019**	**26 April 2019**
	No. of share options	**Weighted average exercise price (£)**	**No. of share options**	**Weighted average exercise price (£)**
Opening balance	**10,315,000**	**0.856**	**8,325,000**	**0.907**
Granted during the year	**2,230,000**	**0.690**	**2,250,000**	**0.620**
Lapsed during the year	**(1,480,000)**	**0.861**	**(260,000)**	**0.982**
Exercised during the year	**-**	**-**	**-**	**-**
Closing balance	**11,065,000**	**0.828**	**10,315,000**	**0.856**

4,125,000 share options were exercisable at the year end at a weighted average exercise price of £0.930 (2019: 5,215,000 options at a price of £0.930).

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

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

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

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

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

At 24 April 2020, the ESOP controlled 26,683,589 (2019: 26,652,455) 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.

29. Reserves

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

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

30. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £0.2 million (2019: £NIL) for the Group. The company had no capital commitments (2019: £NIL).

31. Pension commitments

With effect from 1 May 1991 the Group has operated defined contribution pension schemes for employees becoming eligible for pension provisions after that date. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charge in the profit and loss account represents contributions payable by the Group to the funds and amounted to £1,610,000 (2019: £1,482,000). At 24 April 2020, contributions amounting to £221,000 (2019: £126,000) were payable to the funds and are included within creditors.

32. Commitments under operating leases

At 24 April 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 24 April 2020 £000	Group 26 April 2019 £000	**Company 24 April 2020 £000**	Company 26 April 2019 £000
Within 1 year	**1,054**	1,399	**7**	1
Within 2 to 5 years	**3,480**	3,594	**-**	13
Later than 5 years	**4,241**	4,491	**-**	-
	8,775	9,484	**7**	14

33. Foreign Exchange Contracts

At 24 April 2020 the Group had entered into forward foreign exchange purchase contracts totalling £19.1m (2019: £24.0m).

34. Related party transactions

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

Associate and joint ventures

Fresca Group Limited owns 50% of the share capital in each of the joint ventures Manor Fresh Limited and Thanet Earth Holdings Limited, 40% of the ordinary share capital in the associate Wallings Holdings Limited and 25% of the ordinary share capital of TG1 Holding Limited.

During the period, the joint venture companies acquired goods and services from the group of companies headed by Fresca Group Limited to the value of £2.3 million (2019: £5.5 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 £57,000 for the year (2019: £57,000), and the value of assets leased to associate and joint venture companies is £468,000 (2019: £477,000) in total.

During the year the joint venture companies sold products and services to the group of companies headed by Fresca Group Limited to a value of £0.4 million (2019: £0.7 million). The group of companies headed by Fresca Group Limited also provided further funding of £260,000 (2019: £95,000) during the year with a total interest charge of £4,400 (2019: £900).

As at 24 April 2020, the associate and joint venture companies owed £667,000 (2019: £575,000) to the group of companies headed by Fresca Group Limited and were owed £24,000 (2019: £25,000) by the group of companies.

Subsidiary undertakings

Wallings Property Limited is less than 100% owned by the group of companies. As at 24 April 2020, this company owed the group of companies headed by Fresca Group Limited £42,000 (2019: £39,000).

35. Post balance sheet events

Since the year end the Group has appointed an additional director to the business. Martyn Fletcher has been appointed as the Group Chief Executive from 3 August 2020. The previous Group Chief Executive, Ian Craig, remains a director with particular responsibility for strategic projects.

On 30 July 2020 the Group disposed of their shareholding in Wallings Property Limited and Wallings Holding Limited.

The Group continues to maintain additional hygiene requirements and increased standards of care to mitigate against the risks associated with the coronavirus pandemic.

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