

RUDE HEALTH FOODS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

RUDE HEALTH FOODS LIMITED

COMPANY INFORMATION

Directors	C J L Barnard N Barnard J R Bouldin T C D Smith
Company secretary	Jonathan Bouldin
Registered number	05602067
Registered office	212 New Kings Road London SW6 4NZ
Independent auditors	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

RUDE HEALTH FOODS LIMITED

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RUDE HEALTH FOODS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Business review

The group achieved sales of £20,895,540 (2022: £21,040,259). Strong growth in the company's core categories and channels was offset by strategic exits from non-core channels, markets and categories.

The War in Ukraine and its subsequent significant impact on energy, raw material and packaging costs had a significant impact on the gross profitability of the company with numerous input cost increases needing to be accommodated during the year.

Despite these challenges – because of mitigations undertaken during the year by the management team the company's annual loss reduced to £604,829 (2022: £1,369,784).

Principal risks and uncertainties

The group takes a proactive approach to the management of the various risks that it faces. A principal risk that the company faces is fluctuations in currency. Foreign exchange risk in relation to export revenues and import costs is continuously monitored.

Raw material packaging and energy costs remain volatile. The group's management are constantly reviewing input costs and pricing strategies to minimise any negative effects.

Key performance indicators

The directors consider that the key performance indicators for understanding the development and performance of the business are revenue, gross profit and net profit.

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

J R Bouldin

Director

Date: 1 September 2023

RUDE HEALTH FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

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;
- 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.

Principal activity

The principal activity of the group in the year under review was that of the manufacture and sale of healthy foods and drinks.

Results and dividends

The loss for the year, after taxation, amounted to £604,829 (2022 - loss £1,369,784).

No dividend is to be paid in this financial year. The management plans to continue to invest in building sales and brand awareness.

Directors

The directors who served during the year were:

C J L Barnard
N Barnard
J R Bouldin
T C D Smith

RUDE HEALTH FOODS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Disclosure of information to auditors

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

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

Post balance sheet events

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

Auditors

The auditors, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

J R Bouldin

Director

Date: 1 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUDE HEALTH FOODS LIMITED

Opinion

We have audited the financial statements of Rude Health Foods Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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 31 March 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUDE HEALTH FOODS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the 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 Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUDE HEALTH FOODS LIMITED (CONTINUED)

Auditors' 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulation;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUDE HEALTH FOODS LIMITED (CONTINUED)

Use of our report

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

Darren O'Connor BSc (Hons) FCCA ACA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

4 September 2023

RUDE HEALTH FOODS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	20,895,540	21,040,259
Cost of sales		(16,081,155)	(15,985,945)
Gross profit		4,814,385	5,054,314
Administrative expenses		(5,531,105)	(6,660,006)
Other operating income		-	17,677
Operating loss	5	(716,720)	(1,588,015)
Interest receivable and similar income		7	38
Interest payable and similar expenses		(88,982)	(7,884)
Loss before taxation		(805,695)	(1,595,861)
Tax on loss	9	200,866	226,077
Loss for the financial year		(604,829)	(1,369,784)
Total comprehensive income for the year		(604,829)	(1,369,784)
(Loss) for the year attributable to:			
Owners of the parent Company		(604,829)	(1,369,784)
		(604,829)	(1,369,784)

The notes on pages 16 to 34 form part of these financial statements.

RUDE HEALTH FOODS LIMITED
REGISTERED NUMBER: 05602067

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	49,907	63,090
Tangible assets	12	56,909	117,216
		<u>106,816</u>	<u>180,306</u>
Current assets			
Stocks	14	2,016,313	1,754,579
Debtors: amounts falling due within one year	15	4,207,445	3,690,724
Cash at bank and in hand	16	283,157	233,719
		<u>6,506,915</u>	<u>5,679,022</u>
Creditors: amounts falling due within one year	17	(5,327,167)	(4,974,734)
Net current assets		<u>1,179,748</u>	<u>704,288</u>
Total assets less current liabilities		<u>1,286,564</u>	<u>884,594</u>
Provisions for liabilities			
Net assets		<u>1,286,564</u>	<u>884,594</u>
Net assets		<u><u>1,286,564</u></u>	<u><u>884,594</u></u>
Capital and reserves			
Called up share capital	19	421,110	400,010
Share premium account	20	1,131,699	146,000
Capital redemption reserve	20	11,990	11,990
Profit and loss account	20	(278,235)	326,594
Equity attributable to owners of the parent		<u>1,286,564</u>	<u>884,594</u>
Company		<u><u>1,286,564</u></u>	<u><u>884,594</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J R Bouldin
Director

Date: 1 September 2023

The notes on pages 16 to 34 form part of these financial statements.

RUDE HEALTH FOODS LIMITED
REGISTERED NUMBER: 05602067

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	49,907	63,090
Tangible assets	12	56,909	117,216
Investments	13	1	1
		<hr/>	<hr/>
		106,817	180,307
Current assets			
Stocks	14	1,446,857	1,278,064
Debtors: amounts falling due within one year	15	4,535,884	3,931,807
Cash at bank and in hand	16	3,740	60,997
		<hr/>	<hr/>
		5,986,481	5,270,868
Creditors: amounts falling due within one year	17	(4,382,652)	(4,289,239)
		<hr/>	<hr/>
Net current assets		1,603,829	981,629
		<hr/>	<hr/>
Total assets less current liabilities		1,710,646	1,161,936
		<hr/>	<hr/>
Net assets		1,710,646	1,161,936
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	19	421,110	400,010
Share premium account	20	1,131,699	146,000
Capital redemption reserve	20	11,990	11,990
Profit and loss account	20	145,847	603,936
		<hr/>	<hr/>
		1,710,646	1,161,936
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J R Bouldin
Director

Date: 1 September 2023

The notes on pages 16 to 34 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2022	400,010	146,000	11,990	326,594	884,594
Comprehensive income for the year					
Loss for the year	-	-	-	(604,829)	(604,829)
Total comprehensive income for the year	-	-	-	(604,829)	(604,829)
Contributions by and distributions to owners					
Shares issued during the year	21,100	985,699	-	-	1,006,799
Total transactions with owners	21,100	985,699	-	-	1,006,799
At 31 March 2023	421,110	1,131,699	11,990	(278,235)	1,286,564

RUDE HEALTH FOODS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	400,010	146,000	11,990	1,696,378	2,254,378
Comprehensive income for the year					
Loss for the year	-	-	-	(1,369,784)	(1,369,784)
Total comprehensive income for the year	-	-	-	(1,369,784)	(1,369,784)
Total transactions with owners	-	-	-	-	-
At 31 March 2022	400,010	146,000	11,990	326,594	884,594

The notes on pages 16 to 34 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	400,010	146,000	11,990	1,698,112	2,256,112
Comprehensive income for the year					
Loss for the year	-	-	-	(1,094,176)	(1,094,176)
Total comprehensive income for the year	-	-	-	(1,094,176)	(1,094,176)
At 1 April 2022	400,010	146,000	11,990	603,936	1,161,936
Comprehensive income for the year					
Loss for the year	-	-	-	(458,089)	(458,089)
Total comprehensive income for the year	-	-	-	(458,089)	(458,089)
Contributions by and distributions to owners					
Shares issued during the year	21,100	985,699	-	-	1,006,799
Total transactions with owners	21,100	985,699	-	-	1,006,799
At 31 March 2023	421,110	1,131,699	11,990	145,847	1,710,646

The notes on pages 16 to 34 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(604,829)	(1,369,784)
Adjustments for:		
Amortisation of intangible assets	34,140	63,516
Depreciation of tangible assets	66,493	103,581
Loss on disposal of tangible assets	3,208	-
Interest paid	88,982	7,884
Interest received	(7)	(38)
Taxation charge	(200,866)	(226,077)
(Increase)/decrease in stocks	(261,734)	423,619
(Increase) in debtors	(336,211)	(1,229,451)
Increase in creditors	1,354,058	955,015
Corporation tax received/(paid)	32,417	(20,493)
Foreign exchange	(12,061)	-
Net cash generated from operating activities	163,590	(1,292,228)
Cash flows from investing activities		
Purchase of intangible fixed assets	(20,957)	(28,999)
Purchase of tangible fixed assets	(20,477)	(83,605)
Sale of tangible fixed assets	11,083	-
Interest received	7	38
Net cash from investing activities	(30,344)	(112,566)
Cash flows from financing activities		
Issue of ordinary shares	1,006,799	-
Loans due from/(repaid to) directors	(150,000)	150,000
Interest paid	(88,982)	(7,884)
Net cash used in financing activities	767,817	142,116
Net increase/(decrease) in cash and cash equivalents	901,063	(1,262,678)
Cash and cash equivalents at beginning of year	(617,906)	644,772
Cash and cash equivalents at the end of year	283,157	(617,906)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	283,157	233,719
Bank overdrafts	-	(851,625)
	283,157	(617,906)

RUDE HEALTH FOODS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022	Cash flows	At 31 March
	£	£	2023
			£
Cash at bank and in hand	233,719	49,438	283,157
Bank overdrafts	(851,625)	851,625	-
Debt due within 1 year	(150,000)	150,000	-
	<u>(767,906)</u>	<u>1,051,063</u>	<u>283,157</u>

The notes on pages 16 to 34 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Rude Health Foods Limited is a company limited by share capital and incorporated in England and Wales. The address of the registered office is 212 New King's Road, New King's Road, London, England, SW6 4NZ.

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 Group management to exercise judgment in applying the Group's 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 Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 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.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%	straight line
Motor vehicles	-	20%	straight line
Fixtures and fittings	-	33%	straight line
Computer equipment	-	33%	straight line
Brand assets	-	50%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 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.

2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

The key judgment made by management in respect of revenue is the point at which that revenue should be recognised. Management consider that revenue is to be recognised when delivery is made to customer as this is when the risks and rewards of ownership are transferred.

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. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Food sales	20,750,797	20,852,358
Cafe sales	144,743	187,901
	<u>20,895,540</u>	<u>21,040,259</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	15,638,856	16,535,628
Rest of Europe	3,243,702	2,847,032
Rest of the World	2,012,982	1,657,599
	<u>20,895,540</u>	<u>21,040,259</u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation	66,493	103,581
Exchange differences	12,061	734
Other operating lease rentals	138,520	120,196
Amortisation	<u>34,140</u>	<u>63,516</u>

6. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	14,850	13,500
Fees payable to the Company's auditors in respect of:		
All other services	<u>3,750</u>	<u>3,400</u>

7. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	2,173,832	2,298,796	2,028,619	2,070,974
Social security costs	245,287	250,984	217,032	225,677
Cost of defined contribution scheme	65,598	68,184	65,040	62,368
	<u>2,484,717</u>	<u>2,617,964</u>	<u>2,310,691</u>	<u>2,359,019</u>

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

	2023 No.	2022 No.
Average number of employees	<u>43</u>	<u>45</u>

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	662,488	548,265
Group contributions to defined contribution pension schemes	19,885	16,564
	<u>682,373</u>	<u>564,829</u>

The highest paid director received remuneration of £215,901 (2022 - £154,500).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,477 (2022 - £4,635).

Key management personnel consists of the directors. The total employment benefits including employer pension and national insurance contributions in respect of these individuals is £773,133 (2022- £639,875).

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	(67,658)
	<u>-</u>	<u>(67,658)</u>
Foreign tax		
Foreign tax on income for the year	-	(1,894)
	<u>-</u>	<u>(1,894)</u>
Total current tax	<u>-</u>	<u>(69,552)</u>
Deferred tax		
Origination and reversal of timing differences	(200,866)	(156,525)
Total deferred tax	<u>(200,866)</u>	<u>(156,525)</u>
Taxation on loss on ordinary activities	<u>(200,866)</u>	<u>(226,077)</u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	<u>(652,547)</u>	<u>(1,326,258)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(123,984)	(251,989)
Effects of:		
Fixed asset differences	(453)	(3,632)
Expenses not deductible for tax purposes	526	78
Capital allowances for year in excess of depreciation	-	(2,850)
Adjustments to tax charge in respect of prior periods	5,184	-
Remeasurement of deferred tax for changes in tax rates	(82,322)	-
Other timing differences leading to an increase (decrease) in taxation	183	32,316
Total tax charge for the year	<u><u>(200,866)</u></u>	<u><u>(226,077)</u></u>

Factors that may affect future tax charges

The main rate of corporation tax will rise from 19% to 25% from 1 April 2023. On this basis deferred tax is provided at the future rate of 25%.

10. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £458,089 (2022 - loss £1,094,176).

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Intangible assets

Group

	Trademarks £
Cost	
At 1 April 2022	186,651
Additions	20,957
Disposals	(16,645)
	<hr/>
At 31 March 2023	190,963
	<hr/>
Amortisation	
At 1 April 2022	123,561
Charge for the year on owned assets	34,140
On disposals	(16,645)
	<hr/>
At 31 March 2023	141,056
	<hr/>
Net book value	
At 31 March 2023	<hr/> <hr/> 49,907
At 31 March 2022	<hr/> <hr/> 63,090

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Intangible assets (continued)

Company

	Trademarks £
Cost	
At 1 April 2022	186,651
Additions	20,957
Disposals	(16,645)
	<hr/>
At 31 March 2023	190,963
	<hr/>
Amortisation	
At 1 April 2022	123,561
Charge for the year	34,140
On disposals	(16,645)
	<hr/>
At 31 March 2023	141,056
	<hr/>
Net book value	
At 31 March 2023	<hr/> <u>49,907</u>
At 31 March 2022	<hr/> <u>63,090</u>

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Cafe assets £	Computer equipment £	Brand assets £	Total £
Cost or valuation						
At 1 April 2022	64,878	56,524	8,254	89,277	120,924	339,857
Additions	520	624	-	19,333	-	20,477
Disposals	-	(18,641)	-	-	-	(18,641)
At 31 March 2023	65,398	38,507	8,254	108,610	120,924	341,693
Depreciation						
At 1 April 2022	57,219	12,687	3,118	28,693	120,924	222,641
Charge for the year on owned assets	3,691	9,018	2,087	51,697	-	66,493
Disposals	-	(4,350)	-	-	-	(4,350)
At 31 March 2023	60,910	17,355	5,205	80,390	120,924	284,784
Net book value						
At 31 March 2023	4,488	21,152	3,049	28,220	-	56,909
At 31 March 2022	7,659	43,837	5,136	60,584	-	117,216

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Cafe assets £	Computer equipment £	Brand assets £	Total £
Cost or valuation						
At 1 April 2022	64,878	56,524	8,254	89,277	120,924	339,857
Additions	520	624	-	19,333	-	20,477
Disposals	-	(18,641)	-	-	-	(18,641)
At 31 March 2023	65,398	38,507	8,254	108,610	120,924	341,693
Depreciation						
At 1 April 2022	57,219	12,687	3,118	28,693	120,924	222,641
Charge for the year on owned assets	3,691	9,018	2,087	51,697	-	66,493
Disposals	-	(4,350)	-	-	-	(4,350)
At 31 March 2023	60,910	17,355	5,205	80,390	120,924	284,784
Net book value						
At 31 March 2023	4,488	21,152	3,049	28,220	-	56,909
At 31 March 2022	7,659	43,837	5,136	60,584	-	117,216

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	1
	<hr/>
At 31 March 2023	<u>1</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Rude Health Foods B.V.	Zwarteweg 10, 1412GD Naarden	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Profit/(Loss)
Rude Health Foods B.V.	(130,176)

14. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Finished goods and goods for resale	2,016,313	1,754,579	1,446,857	1,278,064
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,016,313</u>	<u>1,754,579</u>	<u>1,446,857</u>	<u>1,278,064</u>

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	3,715,072	3,269,753	3,409,185	2,760,438
Amounts owed by group undertakings	-	-	-	777,326
Other debtors	55,075	130,197	55,073	113,248
Prepayments and accrued income	89,266	121,241	723,594	111,262
Tax recoverable	5,025	27,392	5,025	27,392
Deferred taxation	343,007	142,141	343,007	142,141
	<u>4,207,445</u>	<u>3,690,724</u>	<u>4,535,884</u>	<u>3,931,807</u>

16. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	283,157	233,719	3,740	60,997
Less: bank overdrafts	-	(851,625)	-	(851,625)
	<u>283,157</u>	<u>(617,906)</u>	<u>3,740</u>	<u>(790,628)</u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank overdrafts	-	851,625	-	851,625
Trade creditors	3,392,676	3,366,549	2,534,771	2,804,116
Other taxation and social security	92,574	84,740	76,604	73,897
Other creditors	1,588,907	-	1,588,907	-
Directors' loan account	-	150,000	-	150,000
Accruals and deferred income	253,010	521,820	182,370	409,601
	<u>5,327,167</u>	<u>4,974,734</u>	<u>4,382,652</u>	<u>4,289,239</u>

The following liabilities were secured:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Factored debts	1,588,907	-	1,588,907	-
	<u>1,588,907</u>	<u>-</u>	<u>1,588,907</u>	<u>-</u>

Details of security provided:

The debt factoring is secured by fixed and floating charges over the assets of the Company.

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

18. Deferred taxation

Group

	2023 £
At beginning of year	142,141
Charged to profit or loss	200,866
At end of year	<u>343,007</u>

Company

	2023 £
At beginning of year	142,141
Charged to profit or loss	200,866
At end of year	<u>343,007</u>

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	(12,600)	(22,140)	(12,600)	(22,140)
Tax losses carried forward	355,607	164,281	355,607	164,281
	<u>343,007</u>	<u>142,141</u>	<u>343,007</u>	<u>142,141</u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
421,110 (2022 - 400,010) Ordinary shares of £1.00 each	<u>421,110</u>	<u>400,010</u>

On 14 October 2022 1,000 Ordinary shares were issued at £6 per share. On the same date, 100 Ordinary shares were issued at £7.99 per share. On 30 November 2022 20,000 Ordinary shares were issued at £50 per share. The share issues resulted in an increase in the share premium account of £985,699.

20. Reserves

Share premium account

The share premium account represents the value of shares issued at more than par value.

Capital redemption reserve

The capital redemption reserve represents ordinary share capital repurchased and cancelled by the company.

Profit and loss account

The profit and loss account represents the cumulative profit available for distribution to shareholders.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £63,273 (2022 - £54,772). Contributions totalling £Nil (2022 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group	Group	Company	Company
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	137,544	168,169	137,544	168,169
Later than 1 year and not later than 5 years	137,544	275,088	137,544	275,088
	<u>275,088</u>	<u>443,257</u>	<u>275,088</u>	<u>443,257</u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Related party transactions

During the year there were no related party transactions.

The group has taken advantage of the exemption permitted by FRS 102 section 33.1A not to disclose transactions entered into with wholly owned members of the Group.

24. Controlling party

There was no one controlling party during the financial year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.