

**PDM Produce (UK) Limited**

**Annual report and financial  
statements**

**Registered number 03185729**

**31 March 2023**

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20/12/2023

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## **Officers and professional advisers**

### **Directors**

P D Maddocks  
E M Maddocks  
D J Tobin  
T S Beattie  
T A Shaikh (appointed 15 April 22)  
L M Blythe (appointed 13 May 23)

### **Secretary**

E M Maddocks

### **Registered office**

Chadwell Park Farm  
Great Chatwell  
Newport  
Shropshire  
TF10 9BN

### **Bankers**

Lloyds Bank  
125 Colmore Row  
Birmingham  
West Midlands  
B3 3SF

### **Solicitors**

Lanyon Bowdler LLP  
Chapter House North  
Abbey Lawn  
Abbey Foregate  
Shrewsbury  
Shropshire  
SY2 5DE

### **Auditor**

PKF Smith Cooper Audit Limited  
158 Edmund Street  
Birmingham  
B3 2HB

## **Group Strategic report**

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

### **Principal activities**

The principal activity of the group is that of the marketing of agricultural produce.

### **Business review**

The 2023 financial year shows another solid performance by the business. Revenue increased by 12.8% whilst gross margins were 8.2%, compared with 10.0% in 2022, reflecting another year of market success but margin pressure as well as the impacts of climate change on our weather patterns.

There have not been any significant changes in the group's principal activities in the year under review. The group continued to support its subsidiary company in Spain with crops grown throughout the winter season as well as the summer season. The results of the subsidiary company are consolidated within the group accounts. The directors are not aware, at the date of this report, of any likely changes in the group's activities in the forthcoming year other than further investment in new facilities.

The group continues to invest in research and development to focus its products more specifically to its individual customer's requirements. The directors regard such investment as necessary for the continued success in the medium to long term future of the business.

### **Key performance indicators**

The group's key measurement of effectiveness is operating profits. The group achieved operating profits of £600,000 (2022: £1,111,000). Operating profit in the year has been impacted by high depreciation in the year of £2,952,000 (2022: £3,725,000) as a result of the capital investments made in recent years. It has also been impacted by higher import costs following Brexit and higher wages bills due to the Living Wage increases. This has been offset by packing efficiencies as a result of newly installed packing lines, new shift patterns and a tight control over costs.

The business has a cash outflow of £4.2 million (2022: £2.3m inflow) which includes a further £4.2 million having been spent on capital expenditure. This level of investment in tangible assets demonstrates the ongoing commitment to serving our growing customer base with the best farms and packing facilities.

The consolidated statement of financial position on page 12 shows that the group's financial position at the year-end has improved in net assets terms by £296,000 compared with last year.

### **Going concern**

The group's forecasts and projections show that the group will be able to continue to operate within limits that have been agreed with the bank.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these accounts.

### **Principal risks and uncertainties**

The group operates in a highly competitive market which is a continuing risk to the group and could result in losing sales to its key competitors. The group manages this risk by focusing on the quality of its products, innovation in its growing and packing process, and maintaining strong relationships with its customers.

As the group's products are perishable and grown outdoors the group is also susceptible to influence from the weather. This is managed through sourcing products from a wide geographical spread.

The business is reliant upon imported product during the winter months.

The energy crisis and subsequent cost of living crisis, exacerbated by Russia's invasion of Ukraine, has presented numerous challenges to the business including fluctuations in Sterling, increased energy and fuel costs, higher interest rates and inflationary increases throughout the supply chain. The group has reviewed risks, developed plans and taken actions with the aim of mitigating the impact on the business as much as possible during this period of economic uncertainty.

## **Group Strategic report** *(continued)*

### **Principal risks and uncertainties** *(continued)*

Availability of seasonal workers has continued to present challenges to the business; reduced numbers of returnees post COVID-19 pandemic, combined with the withdrawal of free movement of labour as a result of Brexit means that the cost of recruitment and retention of a skilled seasonal labour force is at a premium. The group have reviewed this risk and developed plans to secure seasonal workers from more providers whilst increasing investment in robotics, efficiency and automation.

The group is fortunate to operate within the food industry with a customer base which is dominated by major retailers. Although there have been some changes in order patterns, the overall level of orders has remained largely unchanged from forecasts. Additionally, the business benefits from growing and supplying both wholehead lettuce and a range of prepared salads which provides flexibility in meeting the demand of retailers impacted by changing purchasing patterns and reduced consumer disposable income as a result of the cost of living crisis.

### **Results and dividends**

The group profit for the year after taxation was £296,000 (2022: £1,108,000).

The directors do not recommend a final dividend (2022: £nil). No interim dividends were paid in the year (2022: £Nil).

### **Future prospects**

The directors intend to continue sales growth through additional product ranges and new customers.

### **Section 172**

The directors of a group must act in the way that they consider in good faith, would be most likely to promote the success of the Group for the benefit of its stakeholders as a whole and in doing so have a regard to a range of matters when making decisions for the long term. We recognise this and adopt the company's core values in all our responsibilities; Respect, Passion, Innovation and Quality.

People are key to the success of our group. The Group philosophy is to embrace and empower the diversity of the people that comprise the whole PDM family, enabling the business to flourish through a culture of family values and the core belief of mutual respect for all colleagues, their overall wellbeing and safety. The directors are committed to delivering these principles and to recruiting, retaining and empowering engaged and motivated people, who are willing and able to contribute to the success of the group with a diverse range of skills and expertise. Along with our apprenticeship programmes we continue to invest in various training opportunities to develop skills and capabilities and enable progression.

Customer relationships and performance are critical to business success and we have cultivated strong relationships with our customers over many years providing consistent high levels of service, with comprehensive and robust customer communications, developing in depth knowledge of their business needs and aspirations, the markets they operate in and understanding consumer demand and trends, and by driving improvements in the quality and range of our products.

Our industry sector demands that we have robust integrated supply chains in place to meet consumer demand. We have the same relationship principles with our suppliers having built strong, long term relationships, maintaining efficient and effective dialogue with them ensuring they provide the quality, value and services we demand. The group is further committed to ensuring it only deals with suppliers who have the same ethics and standards of integrity as our own, particularly with regards to Modern Slavery.

Sustainability of the environment and the impact on the community is important to us which is why we have invested in solar energy, heat recycling, the harvesting of rain water for irrigation purposes and continue to research and invest further in these areas. Key areas of focus include delivery of longer shelf life, reduction in waste, packaging development and reduction and increased use of recyclable materials.

Approved by the Board of Directors and signed on behalf of the Board



**E M Maddocks**  
*Director*

13/12/2023

## Directors' report

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

### Results and dividends

The consolidated income statement for the year is set out on page 11.

The directors do not recommend the payment of a final dividend (2022: £nil). No interim dividends were paid in the year (2022: £nil).

It is proposed that the retained profit is transferred to the company's reserves.

### Directors

The directors who served during the year were as follows:

P D Maddocks  
E M Maddocks  
D J Tobin  
T S Beattie  
T A Shaikh (appointed 15 April 2022)  
D E Wood (resigned 7 August 2023)

### Streamlined Energy and Carbon Reporting

In accordance with the Streamlined Energy and Carbon Report (SECR) requirements, the Group is reporting its carbon emissions and energy use for the year ended 31 March 2023. Emissions of CO<sub>2</sub> are measured in CO<sub>2</sub>e (equivalent) representing the combined effect of all related greenhouse gases normalised to the global warming potential of CO<sub>2</sub>.

Scope	Energy Type	Energy, kWh	Emissions, tCO <sub>2</sub> e
Scope 1	Red Diesel	8,104,650	1,954
	White Diesel	937,756	226
	Propane	1,045,372	224
	Kerosene	27,077	7
	Unleaded petrol	85,329	19
Scope 2	Electricity (Grid Import)	7,302,163	1,412
	Electricity (Solar Gen)	1,079,599	0
Total		18,581,946	3,843

Energy Consumption and CO<sub>2</sub> Emissions for Financial Year 2022-23

The Intensity Ratio is a measure of GHG emissions per unit of production. The production metric chosen is Produce Volume Sold, in tonnes, consisting of salad leaves and vegetables.

Output Metric	Value	tCO <sub>2</sub> e	Intensity Ratio (tCO <sub>2</sub> e/tonne)
Produce Volume Sold	35,999 tonnes	3,843	0.107

Intensity Ratio for Financial Year 2022-23

## Directors' report *(continued)*

### Streamlined Energy and Carbon Reporting *(continued)*

Scope	19 20 Energy Consumption	Emissions tCO <sub>2</sub> e
Base Year	20,167,530 kWh	4,745
Output Metric	Value	Intensity Ratio (tCO <sub>2</sub> e/tonne)
Produce Volume Sold	30,243 tonnes	0.157

Intensity Ratio for Base Year 2019-20

The GHG Protocol has been used.

As PDM Produce (UK) Ltd. is an unquoted company, the requirement of SECR is to report Energy and CO<sub>2</sub> only. Conversion factors from kWh, and from volume or weight of bulk fuels, were taken from Greenhouse Gas Reporting: Conversion Factors 2020, published by BEIS. Wherever possible, energy consumption is recorded for the reporting financial year with no overspill.

The Group operates on the principle that it is a custodian of its land and natural resources for future generations and endeavours to care for the land it utilises leaving as little imprint as possible. The farming practices used aim to respect and protect soil and water resources, the environment and community it operates in.

Recycling and waste management are key focuses. The Group is actively working towards all packaging being fully recyclable. The Company is very energy aware of new technologies of which it regards itself as an early adopter. These include:

- Solar PV, both roof and ground frame mounted; taking advantage of the natural diurnal and seasonal coincidences of peak power demand and peak solar generation
- Cold store refrigeration and insulation
- Inverter drives for pumps and motors
- Rainwater harvesting

### Employee consultation

The Group values the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and of the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, a published weekly brief for all employees and through the posting of company notices. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

### Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### Engagement with suppliers, customers and others

See Group strategic report.

### Significant events since the statement of financial position date

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

## **Directors' report** *(continued)*

### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, PKF Smith Cooper Audit Limited have been reappointed as auditors.

Approved by the Board of Directors and signed on behalf of the Board



**E M Maddocks**  
*Director*

Date: 2023 13 December



## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Independent Auditor's Report to the Members of PDM Produce (UK) Limited**

## **Opinion**

We have audited the financial statements of PDM Produce (UK) Limited (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement, notes to the Consolidated Analysis of Net Debt and the 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 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company 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 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.

## **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.

# **Independent Auditor's Report to the Members of PDM Produce (UK) Limited**

*(continued)*

## **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 Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 7, 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 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

## **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 Auditors' 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. Based on our understanding of the Group and Parent Company and sector in which they operate, key laws and regulations that we identified included:

- Companies Act
- Tax legislation
- Health & safety and employment legislation
- Customer supply chain regulatory requirements in the food retail sector

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We identified that the principal risk of fraud or non compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of control; and

## **Independent Auditor's Report to the Members of PDM Produce (UK) Limited** *(continued)*

- Posting of unusual journals or transactions.

We focused on those areas that could give rise to a material misstatement in the Group's and Parent Company's financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims including instances of non compliance with laws and regulations and fraud;
- Reviewing legal expenditure in the year to identify instances of non compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work over the risk of 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 bias, in particular depreciation of fixed assets and recovery of deferred tax assets.

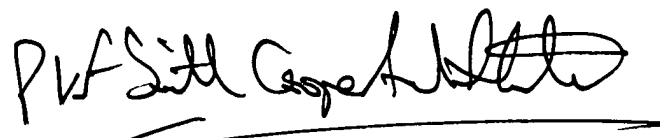
It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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 regulations. 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 and misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **Use of our report**

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Stephen Newman (Senior Statutory Auditor)

for and on behalf of  
**PKF Smith Cooper Audit Limited**

Statutory Auditors  
158 Edmund Street  
Birmingham  
West Midlands  
B3 2HB

Date

13<sup>th</sup> December 2023

**Consolidated income statement**  
*for the year ended 31 March 2023*

	<i>Note</i>	<b>2023</b> <b>£000</b>	2022 £000
<b>Turnover</b>	3	<b>95,560</b>	84,739
Cost of sales		<b>(87,681)</b>	(76,308)
<b>Gross profit</b>		<b>7,879</b>	8,431
Administration expenses		<b>(7,956)</b>	(7,711)
Other operating income	4	<b>677</b>	391
<b>Operating profit</b>	4	<b>600</b>	1,111
Interest payable and similar expenses	7	<b>(206)</b>	(142)
<b>Profit before taxation</b>		<b>394</b>	969
Tax on profit	8	<b>(98)</b>	139
<b>Profit after taxation</b>		<b>296</b>	1,108
<b>Profit for the year attributable to:</b>			
Non-controlling interests		<b>5</b>	(2)
Owners of the parent Company		<b>291</b>	1,110
		<b>296</b>	1,108

All activities derive from continuing operations.

There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year. Accordingly, no statement of comprehensive income is given.

## Consolidated statement of financial position

as at 31 March 2023

	Note	2023	2022
		£000	£000
<b>Fixed assets</b>			
Tangible assets	9	11,356	10,291
Investments	10	45	19
		<u>11,401</u>	<u>10,310</u>
<b>Current assets</b>			
Stocks	11	1,759	1,661
Debtors	12	15,048	10,111
Cash at bank and in hand	15	6	3,574
		<u>16,813</u>	<u>15,346</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(12,863)</u>	<u>(13,208)</u>
<b>Net current assets</b>		<u>3,950</u>	<u>2,138</u>
<b>Total assets less current liabilities</b>		<u>15,351</u>	<u>12,448</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(3,319)</u>	<u>(712)</u>
<b>Net assets</b>		<u><u>12,032</u></u>	<u><u>11,736</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	80	80
Profit and loss account	18	12,015	11,724
<b>Equity attributable to owners of the parent Company</b>		<u>12,095</u>	<u>11,804</u>
<b>Non-controlling interests</b>		<u>(63)</u>	<u>(68)</u>
		<u><u>12,032</u></u>	<u><u>11,736</u></u>

The financial statements of PDM Produce (UK) Limited, registered number 03185729, were approved by the Board of Directors and authorised for issue on 13/12/2023.

Signed on behalf of the Board of Directors



**P D Maddocks**  
Director

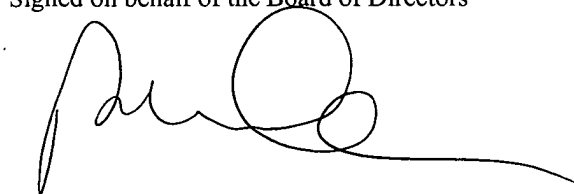
## Company statement of financial position

as at 31 March 2023

	Note	2023	2022
		£000	£000
<b>Fixed assets</b>			
Tangible assets	9	11,319	10,291
Investments	10	47	21
		<u>11,366</u>	<u>10,312</u>
<b>Current assets</b>			
Stocks	11	1,515	1,504
Debtors	12	15,511	10,619
Cash at bank and in hand	15	-	3,523
		<u>17,026</u>	<u>15,646</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(12,727)</u>	<u>(13,154)</u>
<b>Net current assets</b>		<u>4,299</u>	<u>2,492</u>
<b>Total assets less current liabilities</b>		<u>15,665</u>	<u>12,804</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(3,319)</u>	<u>(712)</u>
<b>Net assets</b>		<u><u>12,346</u></u>	<u><u>12,092</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	80	80
Profit and loss account	18	12,266	12,012
<b>Shareholders' funds</b>		<u><u>12,346</u></u>	<u><u>12,092</u></u>
<b>Company's profit for the financial year</b>		<u><u>254</u></u>	<u><u>1,134</u></u>

The financial statements of PDM Produce (UK) Limited, registered number 03185729, were approved by the Board of Directors and authorised for issue on 13/12/23

Signed on behalf of the Board of Directors



**P D Maddocks**  
Director

## Consolidated statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Equity attributable to owners of the parent company £000	Non- controlling interests £000	Total £000
At 1 April 2021	80	10,614	10,694	(66)	10,628
Profit for the financial year	-	1,110	1,110	(2)	1,108
<b>At 31 March 2022</b>	<b>80</b>	<b>11,724</b>	<b>11,804</b>	<b>(68)</b>	<b>11,736</b>

	Called up share capital £000	Profit and loss account £000	Equity attributable to owners of the parent company £000	Non- controlling interests £000	Total £000
At 1 April 2022	80	11,724	11,804	(68)	11,736
Profit for the financial year	-	291	291	5	296
<b>At 31 March 2023</b>	<b>80</b>	<b>12,015</b>	<b>12,095</b>	<b>(63)</b>	<b>12,032</b>



## Company statement of changes in equity

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 1 April 2021	80	10,878	10,958
Profit for the financial year	-	1,134	1,134
<b>At 31 March 2022</b>	<b>80</b>	<b>12,012</b>	<b>12,092</b>

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 1 April 2022	80	12,012	12,092
Profit for the financial year	-	254	254
<b>At 31 March 2023</b>	<b>80</b>	<b>12,266</b>	<b>12,346</b>

**Consolidated cash flow statement**  
*for the year ended 31 March 2023*

	<i>Note</i>	<b>2023</b>	2022
		<b>£000</b>	£000
<b>Cash flows from operating activities</b>			
Profit for the year		296	1,108
Adjustments for:			
Depreciation		2,952	3,725
Interest payable and similar expenses		206	142
RDEC tax credit (see note 4)		(74)	-
Profit on sale of fixed assets		(172)	(31)
Taxation		98	(139)
		<hr/> 3,306	<hr/> 4,805
Decrease/(Increase) in stock		(98)	(808)
(Increase) /Decrease in trade and other debtors		(4,982)	(193)
Increase/(Decrease) in trade and other creditors		1,833	689
		<hr/> (3,247)	<hr/> (312)
Tax (paid)/repaid		23	189
		<hr/> 82	<hr/> 4,682
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		324	206
Acquisition of fixed assets		(4,169)	(2,146)
Acquisition of shares		(26)	(9)
		<hr/> (3,871)	<hr/> (1,949)
<b>Net cash from investing activities</b>			
<b>Cash flows from financing activities</b>			
Interest paid		(206)	(142)
Proceeds from new loan		3,300	
Proceeds from finance leases		1,172	1,166
Payment of finance lease liabilities		(954)	(860)
Repayment of loan		(3,685)	(600)
Dividends paid		-	-
		<hr/> (373)	<hr/> (436)
<b>Net cash from financing activities</b>			
Net increase in cash and cash equivalents		(4,162)	2,297
Cash and cash equivalents at start of year	15	3,574	1,277
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	15	(588)	3,574
		<hr/> <hr/>	<hr/> <hr/>

**Consolidated analysis of net debt**  
*for the year ended 31 March 2023*

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	3,574	(4,162)	(588)
Finance assets	(1,530)	(218)	(1,748)
Other debt	(3,300)	385	(2,915)
	<u>(1,256)</u>	<u>(3,995)</u>	<u>(5,251)</u>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The financial statements are prepared in accordance with applicable England, United Kingdom accounting standards. The particular accounting policies which have all been applied consistently throughout the year and preceding year are described below.

#### **General information and basis of accounting**

PDM Produce (UK) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 and 3.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2018 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The functional currency of PDM Produce (UK) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates. All amounts in the financial statements have been rounded to the nearest £1,000.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

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

#### **Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiary ("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 Statement of Financial Position, 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 Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### **Going concern**

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate.

The Directors have completed a going concern assessment for the Group, including the preparation of cashflow forecasts for a period of 12 months from the date of approval of these financial statements. The forecast shows the business is expected to have a positive net cash flow for the forecast period, after taking into account planned capital expenditure and loan repayments.

The business is funded by bank loans and an overdraft as shown in note 16. The forecast shows sufficient headroom on the overdraft facility and ongoing compliance with covenants.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax. Turnover from sale of goods is recognised upon delivery of produce to the customer. Services revenue relates to the picking and packaging of fresh produce for a related party. It is recognised on provision of the service. Turnover arises in the United Kingdom, Sweden, Spain, Finland and Republic of Ireland.

#### **Grants**

Grants are accounted under the accruals model as permitted by FRS102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Income Statement at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Income Statement in the same period as the related expenditure.

#### **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 the Consolidated Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired. No depreciation is provided on assets in the course of construction. On other fixed assets depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Leasehold and freehold property	straight-line over 4 to 50 years
Plant and machinery	straight-line over 4 to 5 years
Fixtures and fittings	straight-line over 4 years
Motor vehicles	reducing balance over 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

#### **Investments**

Investments in equity shares including subsidiaries which are not publicly traded are measured at cost less accumulated impairment.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

At each statement of financial position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in the Consolidated Income Statement.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **Impairment excluding stock and deferred tax assets**

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through the Consolidated Income Statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Consolidated Income Statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Consolidated Income Statement.

##### *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Income Statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### *Interest payable*

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in the Consolidated Income Statement using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Consolidated Income Statement (see foreign currency accounting policy).

Interest income and interest payable are recognised in the Consolidated Income Statement as they accrue, using the effective interest method.

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

## Notes (continued)

### 1 Accounting policies (continued)

#### Impairment excluding stock and deferred tax assets (continued)

Rental costs under operating leases are charged to the Consolidated Income Statement in equal annual amounts over the periods of the leases.

#### Research and Development

Expenditure on research is recognised as an expense when it is incurred.

#### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is provided in full on timing differences, which result in an obligation at the Statement of Financial Position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Foreign currencies

Monetary 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 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 the operating profit.

#### Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

##### (i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the Consolidated Income Statement, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **Financial instruments (continued)**

- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through the Consolidated Income Statement.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### *ii) Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### *iii) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.



## **Notes** *(continued)*

### **2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Directors, there are no critical accounting judgements or key sources of estimation uncertainty involved in the preparation of these financial statements.

## Notes (continued)

### 3 Turnover

	2023	2022
	£000	£000
Sale of goods	74,049	68,822
Rendering of services	21,511	15,917
Total turnover	<u>95,560</u>	<u>84,739</u>

Turnover arises as follows:

Europe	443	386
United Kingdom	95,117	84,353
Total turnover	<u>95,560</u>	<u>84,739</u>

### 4 Expenses and auditor's remuneration

*Included in profit/loss are the following:*

	2023	2022
	£000	£000
Depreciation		
Owned tangible fixed assets	1,885	2,667
Assets on hire purchase contracts	1,067	1,058
Operating lease rentals	727	758
Profit on disposal of fixed assets	(172)	(31)
Other operating income		
- Accommodation rental income	(394)	(311)
- Research and development expenditure credit (RDEC)	(74)	-
- Government grant income	(4)	-
- Crop insurance claim	(205)	(80)
	<u>(677)</u>	<u>(391)</u>

Accommodation income represents the net of rental income generated from lease of caravans to employees, offset by the costs of providing this accommodation.

*Auditor's remuneration:*

	2023	2022
	£000	£000
Audit of these financial statements	24	21
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	2	2
Research & Development taxation claim	14	9

## Notes (continued)

### 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	
	<b>2023</b>	<b>2022</b>
Administration	26	19
Production	526	497
Selling and distribution	5	5
	<hr/>	<hr/>
	<b>557</b>	<b>521</b>
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	17,247	14,628
Social security costs	1,683	1,276
Pension contribution	131	121
	<hr/>	<hr/>
	<b>19,061</b>	<b>16,025</b>
	<hr/>	<hr/>

### 6 Directors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£000s</b>	<b>£000s</b>
Directors' remuneration	594	505
Pension	5	8
	<hr/>	<hr/>

The aggregate of remuneration of the highest paid director was £154,000 (2022: £168,000).

During the year retirement benefits were accruing to 4 directors (2022: 4) in respect of defined contribution pension schemes.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounts to £1,300 (2022: £5,500).

### 7 Interest payable and similar expenses

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank loan and overdraft	139	85
Finance charge - hire purchase contracts	67	57
	<hr/>	<hr/>
	<b>206</b>	<b>142</b>
	<hr/>	<hr/>

## Notes (continued)

### 8 Taxation

#### Total tax expense recognised in the Consolidated Income Statement, other comprehensive income and equity

	2022 £000	2022 £000
<b>Current tax</b>		
UK corporation tax	-	19
Adjustment in respect of prior year	(21)	(21)
	<u>(21)</u>	<u>(2)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	154	35
Adjustments in respect of prior year	(35)	(3)
Change in tax rate	-	(169)
	<u>119</u>	<u>(137)</u>
<b>Total tax</b>	<u><u>98</u></u>	<u><u>(139)</u></u>

#### Reconciliation of effective tax rate

	2022 £000	2022 £000
Profit for the year	296	1,108
Total tax expense/(credit)	98	(139)
	<u>394</u>	<u>969</u>
Profit excluding taxation	<u>394</u>	<u>969</u>
Tax using the UK corporation tax rate of 19% (2020: 19%)	75	184
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	5	4
Permanent fixed asset differences	34	58
Other tax adjustments, reliefs and transfers	-	1
Additional deduction for research and development expenditure	3	(202)
Tax rate changes	37	(160)
Adjustments in respect of prior periods	(56)	(24)
	<u>98</u>	<u>(139)</u>
<b>Total actual amount of tax</b>	<u><u>98</u></u>	<u><u>(139)</u></u>

Deferred taxes at the Statement of Financial Position date have been measured using the enacted rates increasing the corporation tax rate from 19% to 25% from April 2023. This rate was enacted at 31 March 2022 and was used to calculate the deferred tax balances at 31 March 2023 and 31 March 2022.

## Notes (continued)

### 9 Tangible fixed assets

Group	Assets in the course of const- ruction £000	Freehold property £000	Leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<b>Cost</b>							
At 1 April 2022	1,428	4,198	4,684	27,211	877	701	39,099
Additions	2,602	-	-	1,101	292	174	4,169
Assets completed	(1,428)	-	-	1,428	-	-	-
Disposals	-	-	-	(465)	-	(98)	(563)
Change in classification	-	-	-	-	-	-	-
At 31 March 2023	2,602	4,198	4,684	29,275	1,169	777	42,705
<b>Depreciation</b>							
At 1 April 2022	-	1,807	2,066	23,676	721	538	28,808
Charge for the year	-	203	521	2,027	122	79	2,952
Disposals	-	-	-	(323)	-	(88)	(411)
At 31 March 2023	-	2,010	2,587	25,380	843	529	31,349
<b>Net book value</b>							
At 31 March 2023	2,602	2,188	2,097	3,895	326	248	11,356
At 31 March 2022	1,428	2,391	2,618	3,535	156	163	10,291

#### *Leased plant and machinery*

Included in the total net book value of fixed assets as at 31 March 2023 was £1,982,000 (2022: £1,639,000) in respect of assets held under finance leases and hire purchase contracts.

#### *Security*

Obligations under hire purchase contracts are secured against the assets to which they relate.

Freehold property with a net book value of £1,700,000 (2022: £1,700,000) is pledged as security for liabilities by a first legal charge.

## Notes (continued)

### 9 Tangible fixed assets (continued)

Company	Assets in the course of const- ruction £000	Freehold property £000	Leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
<b>Cost</b>							
At 1 April 2022	1,428	4,198	4,684	27,211	877	701	39,099
Additions	2,602	-	-	1,057	292	174	4,124
Assets completed	(1,428)	-	-	1,428	-	-	-
Disposals	-	-	-	(465)	-	(98)	(563)
Change in classification	-	-	-	-	-	-	-
At 31 March 2023	2,602	4,198	4,684	29,231	1,168	777	42,660
<b>Depreciation</b>							
At 1 April 2022	-	1,807	2,066	23,676	721	538	28,808
Charge for the year	-	203	521	2,020	122	79	2,944
Disposals	-	-	-	(323)	-	(88)	(411)
At 31 March 2023	-	2,010	2,587	25,373	842	529	31,341
<b>Net book value</b>							
At 31 March 2023	2,602	2,188	2,097	3,858	326	248	11,319
At 31 March 2022	1,428	2,391	2,618	3,535	156	163	10,291

#### Leased plant and machinery

Included in the total net book value of fixed assets as at 31 March 2023 was £1,982,000 (2022: £1,639,000) in respect of assets held under finance leases and hire purchase contracts.

#### Security

Obligations under hire purchase contracts are secured against the assets to which they relate.

Freehold property with a net book value of £1,700,000 (2022: £1,700,000) is pledged as security for liabilities by a first legal charge.

## 10 Investments

Group	Unlisted investments £000	Total £000
<b>Cost</b>		
At 1 April 2022	19	19
Additions	26	26
	<hr/>	<hr/>
At 31 March 2023	<b>45</b>	<b>45</b>
	<hr/>	<hr/>

Company	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
<b>Cost</b>			
At 1 April 2022	2	19	21
Additions	-	26	26
	<hr/>	<hr/>	<hr/>
At 31 March 2023	<b>2</b>	<b>45</b>	<b>47</b>
	<hr/>	<hr/>	<hr/>

Details of the investments of the Group are as follows:

Undertaking	Registered office	Holding Proportion of voting rights and shares held
PDM Espana Salads SL	Pasaje de Los Nietos 24 Miranda, Cartagena, 30319 Spain	80%
SIA "WeedBot"	Juridiskā adrese: Audēju iela 15-4 Rīga, LV-1050, Latvia	0.5%
Bio Circular Ltd	26 Katznelson St., Kfar Saba	0.5%

## 11 Stocks

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Raw materials	391	281	147	124
Packaging stock	722	872	722	872
Engineering stock	543	429	543	429
Other stock	103	79	103	79
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,759</b>	<b>1,661</b>	<b>1,515</b>	<b>1,504</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 12 Debtors

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
<i>Due in one year, unless stated otherwise</i>				
Trade debtors	11,574	8,473	11,517	8,473
Amounts owed by group undertakings	-	-	820	739
Other debtors and prepayments	2,831	950	2,531	719
Deferred tax asset (note 17)	548	667	548	667
Corporation tax	95	21	95	21
	<u>15,048</u>	<u>10,111</u>	<u>15,511</u>	<u>10,619</u>

The deferred tax asset is recoverable in greater than one year.

### 13 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loans and overdraft (note 16)	1,254	3,300	1,254	3,300
Obligations under hire purchase contracts (note 16)	684	817	684	817
Trade creditors	8,544	7,060	8,126	6,830
Amounts due to group undertakings	-	-	326	248
Other taxation and social security	1,032	440	974	418
Other creditors	174	177	174	177
Accruals and deferred income	1,175	1,414	1,189	1,364
	<u>12,863</u>	<u>13,208</u>	<u>12,727</u>	<u>13,154</u>

### 14 Creditors: amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loans (note 16)	2,255	-	2,255	-
Obligations under hire purchase contracts (note 16)	1,064	712	1,064	712
	<u>3,319</u>	<u>712</u>	<u>3,319</u>	<u>712</u>



## Notes (continued)

### 15 Cash and cash equivalents

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Cash at bank and in hand	6	3,574	-	3,523
Bank overdraft	(594)	-	(594)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash and cash equivalents per cash flow statements	(588)	3,574	(594)	3,523
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 16 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2023 £000	2022 £000
<b>Creditors falling due after more than one year</b>		
Finance lease liabilities	1,064	712
Secured bank loans	2,255	-
	<u>          </u>	<u>          </u>
	3,319	712
	<u>          </u>	<u>          </u>
<b>Creditors falling due within less than one year</b>		
Finance lease liabilities	684	817
Secured bank loans	660	3,300
Secured bank overdraft	594	-
	<u>          </u>	<u>          </u>
	1,938	4,117
	<u>          </u>	<u>          </u>

#### Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2023 £000	2022 £000
Finance lease liabilities	£		see below	see below	1,748	1,529
Secured bank loans	£	1.9%+LIBOR	see below	see below	2,915	3,300
					<u>          </u>	<u>          </u>
					4,663	4,829
					<u>          </u>	<u>          </u>

Obligations under hire purchase contracts are secured against the assets to which they relate. The bank loans and overdrafts are secured by a charge over the assets of the parent company and those of some of the directors. The bank loans bear interest at 1.9% above the bank's base rate and are subject to quarterly repayments until maturity in 2027.

## Notes (continued)

### Interest-bearing loans and borrowings (continued)

Finance lease liabilities are payable as follows:

	Minimum lease payments 2023 £000	Minimum lease payments 2022 £000
Less than one year	684	817
Between one and five years	1,064	712
	<u>1,748</u>	<u>1,529</u>

### 17 Deferred tax (assets)/liabilities

	<b>£000</b>
<b>Movement in year</b>	
At 1 April 2022	(667)
Charge to consolidated income statement	119
	<u>(548)</u>
<b>At 31 March 2023 (note 12)</b>	<b>(548)</b>

The amounts of deferred tax (assets)/liabilities recognised in the accounts were as follows:

	2023 £000	2022 £000
Short term timing differences	(23)	(28)
Accelerated capital allowances	(268)	(639)
Tax losses	(257)	-
	<u>(548)</u>	<u>(667)</u>
<b>Total deferred tax (asset)/liability</b>	<b>(548)</b>	<b>(667)</b>

We anticipate an immaterial amount of deferred tax to unwind in the next twelve months and the majority to remain until which point the asset to which it attaches is sold.

## Notes (continued)

### 18 Called up share capital and reserves

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>Called up, allotted and fully paid</b>		
240,006 ordinary shares of 0.25 pence each	<b>60</b>	60
80,002 'B' shares of 0.25 pence each	<b>20</b>	20
	<hr/> <b>80</b> <hr/>	<hr/> 80 <hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

#### *Dividends*

A dividend of £nil was paid in the year (2022: £Nil). No interim dividends were paid in the year (2022: £nil).

## Notes (continued)

### 19 Transactions with related parties

#### *Identity of related parties with which the Group has transacted*

Mr P and Mrs E Maddocks are in Partnership trading as Philip Maddocks Farms, and B.Fresh Foods LLP. Philip Maddocks is a shareholder of Wyndford Wagyu Limited and Romaine Investments Limited.

During the year the Group traded with Philip Maddocks Farms as follows:

	<b>2023</b>	2022
	<b>£000</b>	£000
Purchases	<b>28,740</b>	22,676
Sales	<b>22,914</b>	17,417
Assets purchased	-	-
	<u>          </u>	<u>          </u>

The amount owed by Philip Maddocks Farms at the year end was £3,595,000 (2022: £1,080,000) and this is included in trade debtors. The purchases from Philip Maddocks Farms included rental charges of £6,000 (2022: £6,000).

During the year the Group traded with B.Fresh Foods LLP as follows:

	<b>2023</b>	2022
	<b>£000</b>	£000
Purchases	<b>23</b>	-
Sales	<b>25</b>	21
Assets purchased	-	-
	<u>          </u>	<u>          </u>

The amount owed to B.Fresh Foods LLP at the year end was £22,000 (2022: £3,000) and this is included in trade creditors.

## Notes (continued)

### 19 Transactions with related parties (continued)

During the year the Group traded with Wilfred Maddocks Ltd as follows:

	2023 £000	2022 £000
Purchases	35	33
Sales	15	19

The amount owed to Wilfred Maddocks Ltd at the year end was £5,000 (2022: £8,000) and this is included in trade creditors.

During the year the Group traded with Wyndford Wagyu Limited as follows:

	2023 £000	2022 £000
Purchases	-	-
Sales	216	229

The amount owed by Wyndford Wagyu Limited at the year end was £2,548,000 (2022: £780,000). £470,000 is included in trade debtors and £2,078,000 is included in other debtors.

The Group did not trade with Romaine Investments Ltd during the year and there were no amounts owed at year end.

#### Transactions with key management personnel

Total compensation of key management personnel in the year amounted to £651,000 (2022: £546,000).

### 20 Financial Instruments

The carrying amounts of the financial assets and liabilities include:

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Assets measured at amortised cost	11,574	8,474	12,337	9,212
Liabilities measured at amortised cost	15,007	12,506	14,857	12,502

## 21 Operating lease commitments

The group's non-cancellable operating lease rentals are payable as follows:

	<b>2023</b>	2022
	<b>£000</b>	£000
Less than one year	<b>723</b>	701
Between one and five years	<b>739</b>	716
More than five years	-	-
	<hr/> <b>1,462</b> <hr/>	<hr/> 1,417 <hr/>

## 22 Ultimate controlling party

The ultimate controlling party is P D Maddocks.

## 23 Capital commitments

At 31 March 2023, the Group and Company had capital commitments as follows:

	Group		Company	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£000</b>	£000	<b>£000</b>	£000
Contracted for but not provided in these financial statements	<b>509</b>	73	<b>509</b>	73
	<hr/>	<hr/>	<hr/>	<hr/>

## 24 Contingent liability

The Parent Company has cross guaranteed bank borrowings of Philip Maddocks Farms. At the 31 March 2023, the amount subject to potential guarantee in this way was £5,661,000 (2022: £6,163,000).