

Lotus Flower Holdings Limited

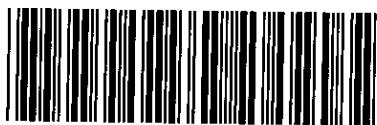
Annual report and financial statements

For the period ended 30 September 2020

Registered number: 08802695

Parent company of
Crave Simply Ltd
(company number 11515076)
Statement in accordance with section
479A(2)(d) Companies Act 2006 may be
found on page 24.

FRIDAY



AADOZTD5

A09

24/09/2021

#246

COMPANIES HOUSE

Company Information

Directors	L A Malde A A Malde
Company secretary	L A Malde
Registered number	08802695
Registered office	Jetha House Unit 5 Auriol Drive Greenford Park Middlesex UB6 0TP

Contents

	Page
Group strategic report	1 - 3
Directors' report	4 - 9
Independent auditor's report	10 - 12
Consolidated statement of comprehensive income	13 - 14
Consolidated statement of financial position	15 - 16
Company statement of financial position	17
Consolidated statement of changes in equity	18 - 19
Company statement of changes in equity	20
Consolidated Statement of cash flows	21 - 22
Analysis of net debt	23
Notes to the financial statements	24 - 44

Group strategic report

For the period ended 30 September 2020

Introduction

The Directors present their Group strategic report for the group headed by Lotus Flower Holdings Limited ('the Company') for the 18 month period from 1 April 2019 to 30 September 2020.

Principal activity

The principal activity of the Company is that of a holding company.

Business review

The results for the period and financial position of the Group are shown in the financial statements. The directors were satisfied with the performance in the year. The coming year is expected to remain a challenging commercial environment, the directors are confident the Group will continue to perform to a satisfactory level.

Lotus Flower Holdings Limited is a holding company whose principal subsidiary is Wealmoor Limited. Wealmoor are focused on end-to-end management of key product areas including fresh specialty vegetables, tropical fruit, ingredients and herbs. The Group combines an extensive sourcing network throughout the world with its own farming and processing in strategically located countries such as The Gambia and Peru.

The UK market for fresh produce in which the Group operates continues to be competitive and challenging. Market share and price remain key drivers for our core market sector. The Group continues to innovate products and with strong market insights is well placed to understand and meet both customer and consumer needs in a fast moving environment.

The impact from the Brexit vote and subsequent movements in the foreign exchange markets have resulted in increased uncertainty and cost pressures to the business. The Group works with both suppliers and customers on projects and plans to help mitigate these pressures.

Principal risks and uncertainties

Commercial risk

The Group manages this risk by providing added value services to its clients and by maintaining strong relationships with clients. The Group's commercial risk is reduced due to the market share of their clients who are market leaders in their field.

Other key general risks and uncertainty include:

- Inflationary pressure on consumer spending patterns – The Group invests in the total supply chain to reduce and control input costs.
- Supply risk, local political and environmental – The Group has a diversified range of suppliers in a range of countries which can offset any individual local issues.
- Competitor activity – The Group invests to deliver a customer proposition at competitive prices to maintain business.
- Foreign exchange – The Group purchases goods in foreign currencies and is exposed to market movements. The business reviews hedging opportunities and may from time to time engage in forward contracts. The Group endeavours to mitigate impacts in cooperation with our customers and suppliers.
- Labour costs – The business continues to invest in processing and automation to help offset increasing costs.

Group strategic report (continued)

For the period ended 30 September 2020

Key performance indicators

The key financial and non financial performance indicators used to determine the progress and performance of the Group are set out below:

	2020	As restated 2019
	£	£
Sales	250,235,353	166,235,464
Profit/(loss) before tax	2,523,699	4,873,889
Stock days	8	8
Net assets	39,759,544	37,822,943

The directors are satisfied with the continued growth in sales performance. Profitability was within expectations, representing the pressures seen in the market. Stock continues to be well controlled.

Future developments

The Group will continue to build on its strong supplier relationships developing and investing in primary production.

Directors' statement of compliance with duty to promote the success of the Group

As directors, we are aware of our duty under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Group's success for the benefit of its shareholders as a whole, and to have regard to the long-term effect of our decisions on the Group and its other stakeholders.

In seeking to achieve this, we have regard to:

- the likely consequences of any decisions in the long-term;
- the interests of the Group's employees / our colleagues;
- the need to build great relationships with suppliers, customers and others;
- the impact of our operations on the community and the environment; and
- our desire to maintain a reputation for the highest standards in the way we conduct our business.

The success of our business is dependent on the support of all of our stakeholders - our shareholders, our colleagues, our customers and suppliers and the local community. Building good positive relationships with stakeholders that share our values is important to us, and working together with them towards shared goals assists us in delivering long-term sustainable success.

Engaging with our colleagues

The Group is fully engaged in supporting and upholding human rights and has established policies, procedures and practices in place to help safeguard against modern slavery; forced labour and human trafficking of any kind in its business and operations. These policies aim to ensure that people working for us, and for our direct and indirect suppliers, receive fair treatment and decent working conditions. We continue to strive to be a great place to work valuing our employees as they move through their careers.

The Group believes one of its most important functions is the prevention of accidents and ill health. We do not wish any of our employees or any other person to suffer as the result of our activities or work processes. To this end, we continue to invest in the health, physical and mental wellbeing of our people and food safety of our products.

Group strategic report (continued)

For the period ended 30 September 2020

Directors' statement of compliance with duty to promote the success of the Group (continued)

During the pandemic we fully supported our colleagues. To our knowledge we had no contamination in the workplace. Covid-19 management teams provided an integrated and supportive response. Our employees have responded impressively to the challenges we faced in 2020. We are immensely proud of all our people to enable all our sites to remain fully open throughout this period.

Details of the number of employees and related costs can be found in note 7 to the financial statements.

The Group considers its valued workforce to be assets of the Group and does not experience significant staff turnover.

The Company's employment policies respect the individual and offer career opportunities regardless of gender, race or religion.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career developments and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Impact of our operations on the environment

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities to minimise the Group's impact on the environment include managing food waste, packaging reduction and innovation, recycling and reducing energy consumption.

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

Leena Malde

L A Malde
Director

Date: 21 September 2021

Directors' report

For the period ended 30 September 2020

The Directors present their report together with the Group strategic report and the consolidated financial statements of Lotus Flower Holdings Limited ('the Company') and its subsidiaries (together 'the Group') for the 18 month period started 1 April 2019 and ended 30 September 2020.

Directors

The Directors who served during the period were:

L A Malde
A A Malde

Impact of COVID-19

The directors have considered the impact of the current COVID- 19 pandemic on the group's and company's operations, with a particular focus on its effect on our customers, our suppliers, and our employees.

The group and company have adapted well, successfully employing contingency plans and we consider that the group and company have sufficient cash resources to continue for the foreseeable future, despite the current crisis. The directors do not consider this to be cause for material uncertainty in respect of the group's and company's abilities to continue as going concerns.

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Directors' report (continued)

For the period ended 30 September 2020

Results and dividends

The profit for the period, after taxation and minority interests, amounted to £1,894,530 (2019 -£3,671,134).

No dividend was paid during the year.

Future developments

The Group continues investment for capacity building, innovation and continuous improvement in end to end processes. The latest technology is utilised to ensure products are produced efficiently and to a high standard as required by our discerning customer base.

The Group will continue to build on its strong supplier relationships developing and investing in its end to end supply value chains. This can take the form of sharing the Group's knowledge and experience of best practice in the industry, direct investment in technology and primary agriculture production or engaging in joint ventures.

Engagement with employees

The Group utilises a number of communication channels for providing employees with timely updates relating to the business. The methods include regular company-wide emails from our internal communications team, articles and news stories published on the intranet, posters, team meetings and the Employee Communication Forum (ECF).

The ECF is made up of employee representatives (reps) who have been nominated by their peers and was created to enhance our two-way communication culture. The reps are responsible for collecting the views of the employees in their business areas and sharing them with senior management and HR whom also attended. The discussions held at the forums are shared with all employees in the form of a joint statement signed by the reps and senior management. The reps will also cascade information from senior management to their business areas such as business and financial updates.

A proportion of employees (in line with market practices) are eligible for a company bonus which provides them with a chance to share in the success they help create. Traditionally, exceptional and non-contractual bonuses have been paid organisation-wide to encourage individual contribution to the company's performance.

The business provides all employees with a company and financial update for the previous half-year through news updates and articles on the intranet, briefings in team meetings and posters around the facilities. The information shared explores financial performance, market and trading environments and a future performance outlook.

Directors' report (continued)

For the period ended 30 September 2020

Greenhouse gas emissions, energy consumption and energy efficiency action

Background

This Streamlined Energy and Carbon Report (SECR) has been produced in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which requires organisations to report their energy use and associated greenhouse gas emissions in their annual reports.

The SECR relates to Lotus Flower Holdings Limited and its subsidiary Wealmoor Limited. The company has taken the option to exclude from the report any energy and carbon information relating to a subsidiary where the subsidiary would not itself be obliged to include if reporting on its own account.

Reporting period and Base Year

The reporting period is from April 2019 to September 2020 to align with extended accounting reference period of 18 months. This is the first year that the Group is in the scope of the regulations, so 2019 will be the Base Year. It is recognised that 2020 may not be a typical year for energy use and emissions due to the impact of the Covid-19 pandemic.

Scope

We have used the financial control approach.

As such, the scope of reporting is:

- Scope 1, Direct emissions
 - Energy & emissions related to buildings
 - Business travel in company-owned/leased vehicles, where we pay for the fuel,
 - Company heavy goods vehicles
 - Refrigeration systems fugitive emissions
- Scope 2, Indirect emissions
 - Purchased electricity

Approach and calculation methodology

We are committed to developing an accurate and transparent environmental footprint and related disclosures and reports, which will support our environmental sustainability programme and impact reduction measures. We have calculated our emission using the GHG Protocol Corporate Accounting and Reporting Standard and the 2019 Environmental Reporting Guidelines: Streamlined Energy and Carbon Reporting guidance. The relevant emissions factors for emissions calculations taken from the 2019/20 UK Government Conversion Factors for greenhouse gas (GHG) reporting provided by the UK Government (the Department for Environment, Food and Rural Affairs, Defra, and the Department for Business, Energy and Industrial Strategy, BEIS).

We have collated data on gas, diesel delivery vehicles and electricity consumption from invoices and using suppliers customer accounts websites. The fugitive refrigeration data has been collected from the contractor company. Business travel emissions have been calculated from expenses claim invoices.

We work in defining a group methodology to document our energy and emissions reference data. The system will be available for future SECR reports. The approach taken in developing this report is according to HM Government's Environmental Reporting Guidelines: Streamlined Energy and Carbon Reporting (SECR) guidance, March 2019.

Directors' report (continued)

For the period ended 30 September 2020

Results from April 2019 to September 2020

Energy Source	Energy Consumption (kWh)	Total emissions in metric tonnes CO ₂ e
SCOPE 1	1,588,400	490
Transport	1,113,288	368
Passenger vehicles	176,610.00	43.50
Petrol		
Small	33,073.30	8.20
Medium	53,547.70	13.20
Large	895.80	0.20
Diesel		
Small	10,390.50	2.80
Medium	23,508.50	6.00
Large	10,599.70	2.70
LPG		
Medium	44,594.70	10.40
Delivery vehicles	936,678.00	325.00
4 Articulated (>3.5 - 33t)	870,302.30	306.50
3 Rigid (>3.5 - 7.5 tonnes)	66,375.20	18.50
Energy	475,112.00	121.00
Greenford (Natural Gas)	58,715.00	12.00
Atherstone (Diesel)	375,000.00	100.80
Hayes (Natural Gas)	41,397.40	8.40
Refrigerant fugitive emissions	-	-
SCOPE 2	10,797,439.00	2,631.00
Electricity (location-based)	10,797,439.00	2,631.00
Greenford	4,238,868.70	1,036.50
Atherstone	6,521,252.80	1,594.50
Atherstone (solar energy)	37,317.80	-

Directors' report (continued)

For the period ended 30 September 2020

TOTAL	12,385,839	3,121
INTENSITY RATIO		
Tonnes CO₂e per t product		0.031162
Tonnes CO₂e per t f		0.000012

Energy efficiency measures

The group commits to achieving Net-Zero in line with the UK Government strategy. Our targets are to reach Net-Zero for Scope 1 and 2 before 2030 and for Scope 3 by 2040. We work in the company baselines and have our targets certified by the Science-Based Target Initiative before November this year. To date we have implemented the following measures to reduce our energy consumption and greenhouse emissions:

- 92% of electricity is from a renewable source and our Atherstone plant produced 0.4% of their electricity requirement from solar panels. Emissions using market-based data provided by our supplier are much lower than using location-based.

Energy Source	Consumption (kWh)	Emissions (t CO₂ e)
Electricity (market-based)	10,797,439	293.5
Greenford	4238868.7	115.6
Atherstone	6521252.8	177.9
Atherstone (solar energy)	37317.8	0.0

- Cooling and refrigeration systems use gases with no or very low GWP.
- In 2020 our Hayes plant won RAC Cooling Industry 'Building Energy Project of the Year' award for saving 2.17 million kW/hours per year.

Future actions

The group commits to reduce its energy consumption and GHG emissions to minimise its environmental impact and achieve Net Zero's targets. Our strategy includes short to long term actions:

- 100% electricity from renewable sources
- Identify the hot spots in Scope 1 and implement actions to reduce them
- Quantify Scope 3 emissions

Matters covered in the strategic report

The group has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the Group strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' report. It has done so in respect of discussion of the group's financial risk management policies and objectives.

Directors' report (continued)

For the period ended 30 September 2020

Disclosure of information to auditor

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

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

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

Leena Malde

L A Malde
Director

Date: 21 September 2021

Independent auditor's report to the members, as a body, of Lotus Flower Holdings Limited

For the period ended 30 September 2020

Opinion

We have audited the financial statements of Lotus Flower Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period from 1 April 2019 to 30 September 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and 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 30 September 2020 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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

Buzzacott

Independent auditor's report to the members, as a body, of Lotus Flower Holdings Limited (continued)

For the period ended 30 September 2020

Other information

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

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

We have nothing to report in this regard.

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 period 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.

Independent auditor's report to the members, as a body, of Lotus Flower Holdings Limited (continued)

For the period ended 30 September 2020

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

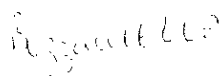
Auditor's responsibilities for the audit of the financial statements

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 Group financial statements.

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.

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Katherine White (Senior statutory auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

22 September 2021

Consolidated statement of comprehensive income

For the period ended 30 September 2020

	Note	18 months ended 30 September 2020 £	As restated 31 March 2019 £
Turnover	4	250,235,353	166,235,464
Cost of sales		(230,610,377)	(152,051,342)
Gross profit		19,624,976	14,184,122
Administrative expenses		(17,712,726)	(12,820,261)
Other operating income		17,836	-
Revaluation of investments		46,542	52,295
Operating profit		1,976,628	1,416,156
Share of profit of associates		529,263	988,047
Total operating profit		2,505,891	2,404,203
Interest receivable and similar income	9	282,499	126,550
Interest payable and other charges	10	(264,691)	2,343,136
Profit before taxation		2,523,699	4,873,889
Tax on profit	11	(707,504)	(1,221,121)
Profit for the financial period		1,816,195	3,652,768
Foreign exchange on translation of subsidiary		342,410	(224,018)
Total comprehensive income for the period		2,158,605	3,428,750
Profit/(loss) for the period attributable to:			
Non-controlling interests		(78,335)	(18,366)
Owners of the parent Company		1,894,530	3,671,134
		1,816,195	3,652,768
Total comprehensive income/(expense) for the period attributable to:			
Non-controlling interest		(78,335)	(18,366)
Owners of the parent Company		2,236,940	3,447,116
		2,158,605	3,428,750

Consolidated statement of comprehensive income (continued)

For the period ended 30 September 2020

All amounts relate to continuing operations.

There was no other comprehensive income for 2020 or 2019.

The notes on pages 24 to 44 form part of these financial statements.

Consolidated statement of financial position

As at 30 September 2020

		30 September 2020 £	As restated 31 March 2019 £
	Note		
Fixed assets			
Intangible assets	13	329,279	1,305,083
Tangible assets	14	19,419,727	11,974,861
Investments	15	5,865,239	5,628,965
		25,614,245	18,908,909
Current assets			
Stocks	16	3,946,404	3,287,150
Debtors: amounts falling due within one year	17	22,987,698	24,505,514
Cash at bank and in hand	18	17,609,145	21,770,423
		44,543,247	49,563,087
Creditors: amounts falling due within one year	19	(27,150,370)	(27,868,160)
Net current assets		17,392,877	21,694,927
Total assets less current liabilities		43,007,122	40,603,836
Provisions for liabilities			
Deferred taxation	20	(231,258)	(74,239)
Other provisions	21	(3,016,320)	(2,706,654)
		(3,247,578)	(2,780,893)
Net assets		39,759,544	37,822,943
Capital and reserves			
Called up share capital	22	50,600	50,600
Share premium account		240,470	240,470
Foreign exchange reserve		259,382	138,976
Merger reserve		100	100
Profit and loss account		39,740,282	37,845,752
Equity attributable to owners of the parent Company		40,290,834	38,275,898
Non-controlling interests		(531,290)	(452,955)
		39,759,544	37,822,943

Consolidated statement of financial position (continued)

As at 30 September 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2021.

Leena Malde

L A Malde
Director

Company statement of financial position

As at 30 September 2020

		30 September 2020 £	As restated 31 March 2019 £
	Note		
Fixed assets			
Fixed asset investments	15	7,828,117	7,828,117
		<u>7,828,117</u>	<u>7,828,117</u>
Current assets			
Debtors: amounts falling due within one year	17	9,868,442	10,199,326
Cash at bank and in hand	18	15,660,058	14,533,327
		<u>25,528,500</u>	<u>24,732,653</u>
Creditors: amounts falling due within one year	19	(17,646,846)	(18,825,301)
Net current assets		<u>7,881,654</u>	<u>5,907,352</u>
Total assets less current liabilities		<u>15,709,771</u>	<u>13,735,469</u>
Net assets		<u>15,709,771</u>	<u>13,735,469</u>
Capital and reserves			
Called up share capital	22	50,600	50,600
Share premium account		240,470	240,470
Profit and loss account brought forward		13,444,399	11,820,106
Profit for the period		1,974,302	1,624,293
Profit and loss account carried forward		<u>15,418,701</u>	<u>13,444,399</u>
		<u>15,709,771</u>	<u>13,735,469</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2021.

Leena Malde

L A Malde
Director

The notes on pages 24 to 44 form part of these financial statements.

Consolidated statement of changes in equity

For the period ended 30 September 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2019	50,600	240,470	138,976	100	36,165,752	36,595,898	(452,955)	36,142,943
Prior year adjustment	-	-	-	-	1,680,000	1,680,000	-	1,680,000
At 1 April 2019 (as restated)	50,600	240,470	138,976	100	37,845,752	38,275,898	(452,955)	37,822,943
Comprehensive income for the period								
Profit for the period	-	-	-	-	1,894,530	1,894,530	(78,335)	1,816,195
Foreign exchange on translation of subsidiary	-	-	120,406	-	-	120,406	-	120,406
Total comprehensive income for the period	-	-	120,406	-	1,894,530	2,014,936	(78,335)	1,936,601
At 30 September 2020	50,600	240,470	259,382	100	39,740,282	40,290,834	(531,290)	39,759,544

The notes on pages 24 to 44 form part of these financial statements.

Consolidated statement of changes in equity

Comparative information for the year ended 31 March 2019

	Called up share capital	Share premium account	Foreign exchange reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2018	50,600	240,470	362,994	100	33,194,618	33,848,782	(434,589)	33,414,193
Prior year adjustment	-	-	-	-	980,000	980,000	-	980,000
At 1 April 2018 (as restated)	50,600	240,470	362,994	100	34,174,618	34,828,782	(434,589)	34,394,193
Comprehensive income for the year								
Profit for the year	-	-	-	-	3,671,134	3,671,134	(18,366)	3,652,768
Foreign exchange on translation of subsidiary	-	-	(224,018)	-	-	(224,018)	-	(224,018)
Other comprehensive income for the year	-	-	(224,018)	-	-	(224,018)	-	(224,018)
Total comprehensive income for the year	-	-	(224,018)	-	3,671,134	3,447,116	(18,366)	3,428,750
At 31 March 2019 (as restated)	50,600	240,470	138,976	100	37,845,752	38,275,898	(452,955)	37,822,943

The notes on pages 24 to 44 form part of these financial statements.

Company statement of changes in equity

For the period ended 30 September 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2018	50,600	240,470	11,820,106	12,111,176
Comprehensive income for the year				
Profit for the year	-	-	1,624,293	1,624,293
Total comprehensive income for the year	-	-	1,624,293	1,624,293
At 1 April 2019	50,600	240,470	13,444,399	13,735,469
Comprehensive income for the year				
Profit for the period	-	-	1,974,302	1,974,302
Total comprehensive income for the period	-	-	1,974,302	1,974,302
At 30 September 2020	50,600	240,470	15,418,701	15,709,771

The notes on pages 24 to 44 form part of these financial statements.

Consolidated statement of cash flows

For the period ended 30 September 2020

	30 September 2020 £	As restated 31 March 2019 £
Cash flows from operating activities		
Profit for the financial period	1,816,195	3,652,768
Adjustments for:		
Amortisation of intangible assets	975,804	2,073,570
Depreciation of tangible assets	1,981,684	961,098
Loss on disposal of tangible assets	3,276	5,583
Interest paid	129,356	21,220
Interest received	(282,499)	(126,550)
Taxation charge	707,504	1,221,121
(Increase) in stocks	(659,254)	(504,309)
Decrease/(increase) in debtors	1,348,181	(272,673)
Decrease/(increase) in amounts owed by related parties	154,874	(23,623)
(Decrease) in creditors	(259,097)	(1,451,301)
(Decrease)/increase in amounts owed to related parties	(242,628)	552,882
Increase in provisions	309,666	95,362
Foreign exchange	(72,502)	(228,383)
Revaluation of investments	(46,542)	(52,295)
Corporation tax (paid)	(751,889)	(1,303,874)
Net cash generated from operating activities	5,112,129	4,620,596
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,444,534)	(2,870,020)
Sale of tangible fixed assets	17,984	23,549
Purchase of unlisted and other investments	-	(130,500)
Interest received	282,499	126,550
Net cash from investing activities	(9,144,051)	(2,850,421)
Cash flows from financing activities		
New secured loans	-	3,000,000
Interest paid	(129,356)	(21,220)
Net cash used in financing activities	(129,356)	2,978,780
Net (decrease)/increase in cash and cash equivalents	(4,161,278)	4,748,955
Cash and cash equivalents at beginning of period	21,770,423	17,021,468

Consolidated statement of cash flows (continued)

For the period ended 30 September 2020

	30 September 2020 £	As restated 31 March 2019 £
Cash and cash equivalents at the end of period	<u>17,609,145</u>	<u>21,770,423</u>
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	<u>17,609,145</u>	<u>21,770,423</u>
	<u>17,609,145</u>	<u>21,770,423</u>

The notes on pages 24 to 44 form part of these financial statements.

Consolidated analysis of net debt

For the period ended 30 September 2020

	At 1 April 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	21,770,423	(4,161,278)	17,609,145
Debt due within 1 year	22,732,187	1,773,327	24,505,514
	<u>44,502,610</u>	<u>(2,387,951)</u>	<u>42,114,659</u>

The notes on pages 24 to 44 form part of these financial statements.

Notes to the financial statements

For the period ended 30 September 2020

1. General information

These financial statements are presented in Pounds Sterling (GBP) rounded to the nearest whole number, being the functional currency of the Company. They comprise the financial statements of the Group for the period ended 31 March 2019.

The Company is a private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Jetha House, Unit 5 Auriol Drive, Greenford Park, Greenford, Middlesex, UB6 0TP.

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 Republic of Ireland ('FRS 102') 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 judgement 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

During the period ended 28 March 2015, Company acquired the entire share capital of Wealmoor Limited through the issue of shares in the Company to the shareholders of Wealmoor Limited. This was accounted for as a group reconstruction in accordance with the principles of merger accounting set out in FRS 102. The difference between the nominal value of the shares issued by Lotus Flower Holdings Limited, and the nominal value of the shares received in exchange is shown within other reserves in the statement of changes in equity in the consolidated financial statements.

All other subsidiaries are accounted for under the acquisition method and goodwill arising on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired are included in the statement of comprehensive income from the date that control passes. The share of results and net assets attributable to minority interests are shown separately in the statement of comprehensive income and statement of financial position respectively.

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings (as listed as a subsidiary undertaking in Note 16), together with the Group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to Group accounting policies.

Wealmoor Atherstone Limited, Herb Fresh LLP, Crave Simply Ltd and Radville Trading Limited have taken the audit exemption in line with s471A Companies Act 2006. The subsidiaries are exempt from the requirement to audit, as the parent company, Lotus Flower Holdings Limited, have given a statutory guarantee on all year end liabilities in respect of the current financial year, in line with s479A Companies Act 2006.

Notes to the financial statements

For the period ended 30 September 2020

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured, on the date that goods are made available to customers. Turnover 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

Turnover 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 turnover 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.

2.4 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.

2.5 Foreign currency translation

Functional and presentation currency

The Company and Group's functional currency and presentation 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.

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.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

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

Notes to the financial statements

For the period ended 30 September 2020

2. Accounting policies (continued)

2.8 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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the period 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 reporting 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 Statement of financial position 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 reporting date.

Notes to the financial statements

For the period ended 30 September 2020

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

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

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

2.11 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.

Freehold property rented to other group entities and accounted for under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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 and the reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 15 years or 100 years
Long-term leasehold property	- Straight line over 10 years
Plant and machinery	- 20% on reducing balance and straight line over 3 years
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 20% on reducing balance

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.

Notes to the financial statements

For the period ended 30 September 2020

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.13 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.14 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 reporting 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.

2.15 Debtors

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

Notes to the financial statements

For the period ended 30 September 2020

2. Accounting policies (continued)

2.16 Cash and cash equivalents

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

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

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.19 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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

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.

Notes to the financial statements

For the period ended 30 September 2020

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Dilapidation

Provisions are made on the basis of estimates of building costs made by the Group's commercial property advisors which are reviewed on an annual basis.

Impairment of goodwill

Where there are indicators of impairment of goodwill, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include any significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Impairment of fixed assets

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment.

Notes to the financial statements

For the period ended 30 September 2020

4. Turnover

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

	18 months ended 30 September 2020 £	As restated 31 March 2019 £
Turnover	250,235,353	166,235,464
	<u>250,235,353</u>	<u>166,235,464</u>

Analysis of turnover by country of destination:

	18 months ended 30 September 2020 £	As restated 31 March 2019 £
United Kingdom	244,559,069	164,210,957
Rest of Europe	2,793,760	828,507
Rest of the world	2,882,524	1,196,000
	<u>250,235,353</u>	<u>166,235,464</u>

5. Operating profit

The operating profit is stated after charging:

	18 months ended 30 September 2020 £	31 March 2019 £
Exchange differences	393,975	(756,250)
Other operating lease rentals	1,758,381	1,023,157
Loss on disposal of fixed asset	3,276	5,583
	<u>3,276</u>	<u>5,583</u>

Notes to the financial statements

For the period ended 30 September 2020

6. Auditor's remuneration

	18 months ended 30 September 2020 £	31 March 2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	8,500	6,500
Fees payable to the Group's auditor and its associates in respect of:		
The audit of the Group's subsidiaries pursuant to legislation	33,000	36,500
All other services	2,500	6,000
	35,500	42,500

Auditor's remuneration in the prior year was payable to the previous auditor of the Group.

7. Employees

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

	Group 18 months ended 30 September 2020 £	Group 31 March 2019 £	Company 18 months ended 30 September 2020 £	Company 31 March 2019 £
Wages and salaries	32,870,459	18,604,681	-	-
Social security costs	2,621,721	1,468,590	-	-
Cost of defined contribution scheme	799,947	341,851	-	-
	36,292,127	20,415,122	-	-

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

	2020 Number	As restated 2019 Number
Operational	1,840	1,831
Administrative	170	164
	2,010	1,995

Notes to the financial statements

For the period ended 30 September 2020

8. Directors' remuneration

	18 months ended 30 September 2020 £	31 March 2019 £
Directors' emoluments	711,856	482,013
	<u>711,856</u>	<u>482,013</u>

The highest paid Director received remuneration of £365,192 (2019 -£203,750).

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

9. Interest receivable

	18 months ended 30 September 2020 £	31 March 2019 £
Interest receivable	282,499	126,550
	<u>282,499</u>	<u>126,550</u>

10. Interest payable and similar charges

	18 months ended 30 September 2020 £	31 March 2019 £
Bank interest payable	129,356	38,241
Profit/(loss) on forward contracts	135,335	(2,381,377)
	<u>264,691</u>	<u>(2,343,136)</u>

Notes to the financial statements

For the period ended 30 September 2020

11. Taxation

	18 months ended 30 September 2020 £	31 March 2019 £
Corporation tax		
Current tax on profits for the year	550,485	1,196,649
	<u>550,485</u>	<u>1,196,649</u>
Total current tax	<u>550,485</u>	<u>1,196,649</u>
Deferred tax		
Origination and reversal of timing differences	157,019	24,472
Total deferred tax	<u>157,019</u>	<u>24,472</u>
Taxation on profit on ordinary activities	<u>707,504</u>	<u>1,221,121</u>

Notes to the financial statements

For the period ended 30 September 2020

11. Taxation (continued)

Factors affecting tax charge for the period/year

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

	18 months ended 30 September 2020 £	31 March 2019 £
Profit on ordinary activities before tax	2,523,699	4,873,889
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	479,503	926,039
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	393,978
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	64,619
Permanent differences: depreciation versus capital allowances	70,982	22,322
Higher rate taxes on overseas earnings	-	(211,096)
Short term and other timing differences leading to an increase/(decrease) in taxation	157,019	(4,236)
Group relief	-	29,495
Total tax charge for the period/year	707,504	1,221,121

Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

12. 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 profit after tax of the parent Company for the period/year was £1,974,302 (2019: £1,624,293).

Notes to the financial statements

For the period ended 30 September 2020

13. Intangible assets

Group

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2019	11,353,237	(784,617)	10,568,620
At 30 September 2020	11,353,237	(784,617)	10,568,620
Amortisation			
At 1 April 2019	9,369,671	(106,134)	9,263,537
Charge for the period	1,209,964	(234,160)	975,804
At 30 September 2020	10,579,635	(340,294)	10,239,341
Net book value			
At 30 September 2020	773,602	(444,323)	329,279
At 31 March 2019	1,983,566	(678,483)	1,305,083

The initial positive goodwill arose on the acquisition of 95% of the share capital of Radville Farms Limited and was calculated as the difference between the consideration paid and the net assets (excluding the non-controlling interest) at the time of acquisition, being 1 August 2015.

The initial negative goodwill arose on the acquisition of 100% of the share capital of Wealmoor Atherstone Limited and was calculated as the difference between the fair value of consideration and the net assets at the time of acquisition, also being 1 August 2015.

Additional positive goodwill arose in the prior year on the acquisition of Sunshine Export S.A.C an associate with 40% ownership. Consideration paid amounted to £3,228,531 for 4,043,419 ordinary shares of 1 Peruvian sol each. Net assets of the 40% share amounted to £2,735,616.

During the year ended 31 March 2019, the company acquired the remaining 50% of the two previous joint ventures, Herbfresh LLP and Tropical Growers Export s.l. resulting in negative and positive goodwill respectively.

All goodwill is amortised over 5 years, except for goodwill relating to Sunshine Export S.A.C, which is amortised over 10 years.

Notes to the financial statements

For the period ended 30 September 2020

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2019	6,730,323	645,250	11,485,664	2,918,997	-	21,780,234
Additions	-	-	1,978,872	220,357	7,245,305	9,444,534
Disposals	-	-	-	(67,670)	-	(67,670)
At 30 September 2020	6,730,323	645,250	13,464,536	3,071,684	7,245,305	31,157,098
Depreciation						
At 1 April 2019	391,265	645,250	6,502,090	2,266,768	-	9,805,373
Charge for the period	274,611	-	1,536,484	170,589	-	1,981,684
Disposals	-	-	-	(49,686)	-	(49,686)
At 30 September 2020	665,876	645,250	8,038,574	2,387,671	-	11,737,371
Net book value						
At 30 September 2020	6,064,447	-	5,425,962	684,013	7,245,305	19,419,727
At 31 March 2019	6,339,058	-	4,983,574	652,229	-	11,974,861

Included within freehold property, is a property leased to a group company with a NBV of £5,130,000. This property was revalued at 1 April 2017, based on the valuation undertaken by an independent valuer who holds a recognised and relevant professional qualification, namely London Clancy, FRICS. On transition to Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (March 2018), as at 1 April 2019, the Directors have elected to recognise the property at historical cost less accumulated depreciation. The historical cost is the deemed cost on transfer from investment property to tangible fixed assets.

Notes to the financial statements

For the period ended 30 September 2020

15. Fixed asset investments

Group

	Investments in associates £	Listed investments £	Unlisted investments £	Total £
Cost or valuation				
At 1 April 2019	3,895,699	1,215,045	518,221	5,628,965
Additions	189,732	-	-	189,732
Revaluations	-	46,542	-	46,542
At 30 September 2020	<u>4,085,431</u>	<u>1,261,587</u>	<u>518,221</u>	<u>5,865,239</u>

Company

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Investment in joint ventures £	Total £
Cost or valuation					
At 1 April 2019	4,078,779	3,228,531	518,221	2,586	7,828,117
At 30 September 2020	<u>4,078,779</u>	<u>3,228,531</u>	<u>518,221</u>	<u>2,586</u>	<u>7,828,117</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Wealmoor Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Wealmoor Atherstone Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Radville Trading Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Radville Farms Limited*	Nemakunku, PO Box 2276, Serrekunda, The Gambia	Ordinary	95%
Herbfresh LLP*	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Tropical Growers Export s.l.	C. Catania 48 - Aguadulce, C6, Roquetas de Mar, 04720 - Almeria	Ordinary	100%

Notes to the financial statements

For the period ended 30 September 2020

15. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 30 September 2020 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Wealmoor Limited	31,778,621	2,270,467
Wealmoor Atherstone Limited	622,517	113,897
Radville Trading Limited	29,995	(60)
Radville Farms Limited*	8,564,714	98,726
Herbfresh LLP*	(1,395,899)	(1,328,240)
Tropical Growers Export s.l.	178,850	(415,675)

* Held indirectly by a subsidiary entity.

Associate

The following was an associate of the Company:

Name	Registered office	Holding
Sunshine Export S.A.C	Carretera Tambogrande, Las Lomas, Peru	40%

Joint ventures

The following were joint ventures of the Company:

Name	Registered office	Holding
LFMR LLP	Jetha House, Greenford Park, UB6 0TP	50%
LFWMK LLP	Jetha House, Greenford Park, UB6 0TP	50%

Notes to the financial statements

For the period ended 30 September 2020

16. Stocks

	Group 30 September 2020 £	Group 31 March 2019 £
Raw materials and consumables	3,946,404	3,287,150
	3,946,404	3,287,150

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

17. Debtors

	Group 30 September 2020 £	Group 31 March 2019 £	Company 30 September 2020 £	Company 31 March 2019 £
Trade debtors	15,884,170	17,746,488	14,154	14,154
Amounts owed by group undertakings	-	-	6,284,689	5,908,039
Amounts owed by joint ventures and associated undertakings	3,784,256	3,939,230	3,569,599	3,768,298
Other debtors	1,041,134	1,091,606	-	508,835
Prepayments and accrued income	2,265,661	1,717,976	-	-
Deferred taxation	12,477	10,214	-	-
	22,987,698	24,505,514	9,868,442	10,199,326

18. Cash and cash equivalents

	Group 30 September 2020 £	Group 31 March 2019 £	Company 30 September 2020 £	Company 31 March 2019 £
Cash at bank and in hand	17,609,145	21,770,423	15,660,058	14,533,327
	17,609,145	21,770,423	15,660,058	14,533,327

Notes to the financial statements

For the period ended 30 September 2020

19. Creditors: amounts falling due within one year

	Group	Group As restated	Company	Company As restated
	30 September 2020	31 March 2019	30 September 2020	31 March 2019
	£	£	£	£
Trade creditors	6,786,263	6,586,103	-	408
Amounts owed to group undertakings	-	-	16,287,270	18,420,594
Amounts owed to related parties	577,655	820,283	-	-
Corporation tax	1,293,501	1,509,566	538,788	225,428
Other taxation and social security	357,191	405,599	-	-
Other creditors	2,467,620	2,243,776	523,632	50,816
Accruals and deferred income	15,668,140	16,302,833	297,156	128,055
	27,150,370	27,868,160	17,646,846	18,825,301

20. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(64,025)	(39,553)
Charged to profit or loss	(154,756)	(24,472)
At end of year	(218,781)	(64,025)
	Group	Group
	30 September	31 March
	2020	2019
	£	£
Accelerated capital allowances	(218,781)	(64,025)
	(218,781)	(64,025)
Comprising:		
Asset - due within one year	12,477	10,214
Liability	(231,258)	(74,239)
	(218,781)	(64,025)

Notes to the financial statements

For the period ended 30 September 2020

21. Provisions

Group

	Dilapidations provision £	Provision for losses of joint ventures £	Total £
At 1 April 2019	2,114,031	592,623	2,706,654
Charged to profit or loss	230,218	79,448	309,666
At 30 September 2020	2,344,249	672,071	3,016,320

22. Share capital

	30 September 2020 £	31 March 2019 £
Allotted, called up and fully paid		
506,000 (2019 - 506,000) Ordinary shares of £0.10 each	50,600	50,600

23. Contingent liabilities

Contingent liabilities existed in respect of guarantees given by Group amounting to £115,000 at 30 September 2020 (2019 - £460,000) arising in the normal course of business.

Cargo claims are made by Wealmoor Limited relating to stock which is unusable upon arrival at the warehouse, and it is possible for counter claims to be made. A provision for a counter claim is recognised when it is probable that the company will have to settle a claim and the amount of the claim can be measured reliably. No provision has been recognised at 26 September 2020 because there are no reliably measured counter claims meeting this criteria at this date.

24. Pension commitments

The pension cost charge represent contributions payable by the group to the fund and amounted to £799,946 (2019 - £368,636). Contributions totalling £116,672 (2019 - £80,747) were payable to the fund at the reporting date and are included in creditors.

25. Prior period adjustment

The directors have identified that certain provisions relating to a group company supplier were not released upon settlement in error, consequently a prior period adjustment has been made to reduce other creditors at 30 March 2019 by £700,000 and increase sales by £700,000. A further adjustment has been made to reduce other creditors and retained earnings at 1 April 2018 by £980,000.

Notes to the financial statements

For the period ended 30 September 2020

26. Commitments under operating leases

At 30 September 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 30 September 2020 £	Group 31 March 2019 £
Land and buildings		
Not later than 1 year	848,912	987,245
Later than 1 year and not later than 5 years	628,980	1,735,647
Later than 5 years	4,363,549	4,599,416
	<u>5,841,441</u>	<u>7,322,308</u>
	Group 30 September 2020 £	Group 31 March 2019 £
Plant and machinery		
Not later than 1 year	324,134	342,134
Later than 1 year and not later than 5 years	336,569	672,944
	<u>660,703</u>	<u>1,015,078</u>

27. Related party transactions

The Group has taken exemptions available under FRS 102, section 33.1A, from disclosing transactions entered into between wholly owned members of a group.

During the year, Wealmoor Limited made sales of £1,725,858 (2019: £496,515) to Radville Farms Limited and purchases of £3,161,601 (2019: £2,138,316) from Radville Farms Limited, a company which is 5% controlled by another party. At 26 September, £986,767 was due to Wealmoor Limited from Radville Farms Limited (2019: £917,147).

At the period ended 30 September 2020, Lotus Flower Holdings Limited was owed £412,933 (2019: £412,933) from Aquanite Investments Limited. Mrs L Malde is a director of Aquanite Investments Limited.

As at 26 September 2020, Wealmoor Limited owed £577,655 (2019: £353,104) to LFMR LLP as a result of purchases made for £313,998 (2019: £795,756).

As at 26 September 2020, Wealmoor Limited owed £25,000 (2019: £458,378) to LFWMK LLP as a result of purchases made for £3,896,748 (2019: £815,402).

As at 30 September 2020, Lotus Flower Holdings Limited was owed £1,829,648 from LFWMK LLP (2019: £2,291,692) and £1,277,019 from LFMR LLP (2019: £1,078,351).

Notes to the financial statements

For the period ended 30 September 2020

28. Controlling party

The Company is under the control of Mrs L A Malde, a director and shareholder of the Company.