REGISTERED NUMBER: 02783019 (England and Wales)

STRATEGIC REPORT, DIRECTORS' REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

FOR

VITACRESS KENT LIMITED

VITACRESS KENT LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

VITACRESS KENT LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2021

DIRECTORS:	T J Brinsmead A J Cooper S D Rothwell PhD P S Southorn C A Van Poortvliet
SECRETARY:	A J Cooper
REGISTERED OFFICE:	Lower Link Farm St. Mary Bourne Andover Hampshire SP11 6DB
REGISTERED NUMBER:	02783019 (England and Wales)
SENIOR STATUTORY AUDITOR:	Nikki Forster
AUDITORS:	Ernst & Young LLP Grosvenor House Grosvenor Square Southampton SO15 2BE
BANKERS:	Deutsche Bank AG, London

VITACRESS KENT LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

The Directors have pleasure in presenting their strategic report, Directors' report and the audited financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the Company is to provide contract farming services. During the year the Company continued its contract farming agreement to operate the Minster Farm near Ramsgate, Kent. The Company is part of the larger Vitacress group of companies, which is headed by Vitacress Limited, the RAR Group's holding company for all its fresh produce businesses.

REVIEW OF THE BUSINESS
The Company continued to be profitable in 2021 with a profit before tax of £101,163 (2020: £130,081). The overall financial results for the year were acceptable.

RESULTS AND MOVEMENT IN EQUITY
The income statement for the year is set out on page 7. The profit after tax amounted to £83,891 (2020: £106,050). The movements in equity are set out on page 10.

FUTURE DEVELOPMENTS
In 2022 the Company will continue its existing activity of contract farming and will look to identify local opportunities to expand the growing base of the wider Group.

RISK MANAGEMENT OBJECTIVES AND POLICIES

OPERATING RISKS
The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risk and uncertainty affecting the Company is considered to relate to competition from other contract farming services providers. In addition, the nature of the business, being the growing, and supply of fresh produce, means the Company is always faced with the uncertainties of the weather.

FINANCIAL RISKS
The Company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company.

CREDIT RISK
The Company's revenue is mainly made through intercompany sales which reduces the company's credit risk.

LIQUIDITY RISK
The Company retains sufficient cash to ensure it has sufficient available funds for operations and planned expansions. The Company has access to longer term intercompany funding if required and participates in group cash pool arrangements.

KEY PERFORMANCE INDICATORS
The directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

APPROVED BY THE BOARD, AND SIGNED ON THEIR BEHALF:

....
AJ Cooper - Director

Date: ......19 April 2022...........

VITACRESS KENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31st December 2021.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The Directors who held office during the year and up to the date of signing these financial statements are shown on page 1 of these financial statements.

GOING CONCERN
In preparing the financial statements the directors have had regard to the fact that the Company generated a pre-tax profit on continuing operations of £101,163 (2020: £130,081) in the financial year ended 31 December 2021. A key judgment is the appropriateness of using the going concern basis in preparing the financial statements.

In addition, the company is still providing contract farming services in line with agreements which are still active for a period of at least 12 months from signing of these financial statements. The farming services provided relate to fresh produce, for which there is still an ongoing market.

Therefore, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in business and meet its liabilities as they fall due for the foreseeable future, with the Directors reviewing the going concern assessment prepared for the period ending 30 June 2023, the going concern period.

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE
The Intermediate parent company has taken out insurance to indemnify against third party proceedings, to protect the Directors of the Intermediate parent company whilst serving on the board of the Company and of any subsidiary. This cover also indemnifies those employees of the Company who serve on the boards of the company. The cover subsisted throughout the year and remains in place at the date of this report.

EMPLOYEES
The Company's policy is to encourage employee involvement, thereby improving Company performance through regular meetings. Information on matters of concern to employees is given through regular team briefings, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, is identical to that of a person who does not suffer from a disability.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 of the profit or loss of the company 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

VITACRESS KENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
A J Cooper - Director

Date: 19 April 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VITACRESS KENT LIMITED

Opinion

We have audited the financial statements of Vitacress Kent Limited for the year ended 31 December 2021 which comprise of the statement of profit and loss account, the statement of comprehensive income, the statement of financial position, statement of cash flows, and the statement of changes in equity and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 company's ability to continue as a going concern for a period to 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VITACRESS KENT LIMITED

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 3, 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 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 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 financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are UK Adopted accounting standards and the Companies Act 2006 and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including, health and safety, data protection, anti-bribery and corruption.
- We understood how Vitacress Kent Limited is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with HMRC regarding tax compliance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assessed overstatement of revenue throughout the period, to meet targets, to be a fraud risk. Our procedures to address management override involved testing journals that met specific risk criteria which were identified through our planned analytics procedures. We also incorporated data analytics into our testing of revenue recognition, along with gross margin analysis, and performed cash anchor testing. We tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included a focus on compliance with the accounting and regulatory frameworks through obtaining sufficient audit evidence in line with the level of risk identified, in conjunction with compliance with relevant legislation including tax computations and returns and corroborated that dividend payments complied with the relevant legal requirements.

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

Use of our report
This report is made solely to the 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.

Ernst & Young LLP
....
Nikki Forster (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

Date: 21st April 2022

VITACRESS KENT LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue	4	1,115,053	1,430,895
Cost of sales		(261,788)	(385,333)
GROSS PROFIT		853,265	1,045,562
Other operating income	5	8,641	15,111
Distribution, production and administration expenses		(743,136)	(918,825)
Other operating expenses		(5,687)	-
OPERATING PROFIT		113,083	141,848
Finance costs	7	(11,920)	(11,767)
PROFIT BEFORE INCOME TAX	8	101,163	130,081
Income tax	9	(17,272)	(24,031)
PROFIT FOR THE YEAR		83,891	106,050

The notes form part of these financial statements

VITACRESS KENT LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021 £	2020 £
PROFIT FOR THE YEAR	83,891	106,050
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Deferred tax adjustment	1,015	(2,915)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	1,015	(2,915)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	84,906	103,135

The notes form part of these financial statements

VITACRESS KENT LIMITED

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	12	780,216	261,554
Right-of-use asset			
Property, plant and equipment	12	12,821	45,019
Deferred tax	22	7,295	14,530
		800,332	321,103
CURRENT ASSETS			
Inventories	13	105,874	69,501
Trade and other receivables	15	160,947	855,794
		266,821	925,295
TOTAL ASSETS		1,067,153	1,246,398
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	100	100
Retained earnings	17	259,512	274,606
TOTAL EQUITY		259,612	274,706
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	19	2,312	19,942
CURRENT LIABILITIES			
Trade and other payables	18	166,032	117,242
Interest bearing loans and borrowings	19	639,197	834,508
		805,229	951,750
TOTAL LIABILITIES		807,541	971,692
TOTAL EQUITY AND LIABILITIES		1,067,153	1,246,398

The financial statements were approved by the Board of Directors and authorised for issue on ....19 April 2022........ and were signed on its behalf by:

....
A J Cooper - Director

The notes form part of these financial statements

VITACRESS KENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2020	100	271,471	271,571
Changes in equity			
Profit for the year	-	106,050	106,050
Other comprehensive income	-	(2,915)	(2,915)
Total comprehensive income	-	103,135	103,135
Dividends	-	(100,000)	(100,000)
Total transactions with owners, recognised directly in equity	-	(100,000)	(100,000)
Balance at 31st December 2020	100	274,606	274,706
Changes in equity			
Profit for the year	-	83,891	83,891
Other comprehensive income	-	1,015	1,015
Total comprehensive income	-	84,906	84,906
Dividends	-	(100,000)	(100,000)
Total transactions with owners, recognised directly in equity	-	(100,000)	(100,000)
Balance at 31st December 2021	100	259,512	259,612

The notes form part of these financial statements

VITACRESS KENT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Receipts from customers		1,347,789	699,128
Payments to suppliers		(505,612)	(661,469)
Payments related to employees		(335,888)	(442,075)
payments to group companies		459,835	385,802
Operating cash flow		966,124	(18,614)
Tax payments		(9,022)	(26,024)
Net cash generated from operating activities		957,102	(44,638)
Cash flows from investing activities			
Purchase of property, plant and equipment		(651,329)	(28,674)
Sale of property, plant and equipment		11,500	-
Interest and similar income from group companies		-	-
Net cash used in investment activities		(639,829)	(28,674)
Cash flows from financing activities			
Payment of lease Liabilities	20	(25,200)	(44,179)
Loans received/(repaid) from Group companies		(180,096)	227,796
Dividend paid	10	(100,000)	(100,000)
Interest and similar costs to group companies		(10,380)	(9,160)
Interest and similar costs to external parties		(1,597)	(1,145)
Net cash generated from /(used in) financing activities		(317,273)	73,312
Net (decrease)/ increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

The notes form part of these financial statements

1. STATUTORY INFORMATION

Vitacress Kent Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IAS. The financial statements have been prepared under the historical cost convention.

Going Concern
Our operations have not been materially impacted by the COVID-19 pandemic and the Company is still providing contract farming services in line with agreements which are still active for a period of at least 12 months from signing of these financial statements. The farming services provided relates to fresh produce, for which there is still an ongoing market during the global pandemic.

Therefore, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in business and meet its liabilities as they fall due for the foreseeable future, with the Directors reviewing the going concern assessment prepared for the period ending 30 June 2023.

New and changes in accounting policy
There are no standards or interpretations that are effective for the first time for the financial year beginning on or after 1 January 2020 that would be expected to have a material impact on the Company. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

At the date of authorisation of these Financial Statements, the following amendments were effective:
- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 16 Covid-19 Related Rent Concessions

These amendments have no impact on the Financial Statements of the Company for the year ended 31st December 2021.

Revenue recognition
The Company provides contract farming services. Revenue from contracts with customers is recognised in the income statement when services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost is defined as the purchase price, plus any additional costs incurred to bring the asset to its current location and position.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within Other operating income in the income statement.

2. **ACCOUNTING POLICIES - continued**

Financial assets and liabilities
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the respective financial instrument.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value taking into account transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Trade receivables
Trade receivables are recognised at amortised cost. They are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Accounts payable
Non-interest bearing accounts payable are stated at their nominal value.

Loans
Loans are recorded as liabilities at their amortised cost. Possible costs incurred with the issuance of these loans are recorded as deductions from the liability and recognised over the period of the loans based on the effective interest rate. Financial expenses are calculated based on the effective interest rates, including premiums payable, and are reflected in the income statement on an accruals basis.

Inventories
Raw materials are stated at the lower of cost and net realisable value. Cost is determined using a weighted average cost method. The cost is determined as purchase price and direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Taxation
Current income tax is based on taxable profit for the year (which differs from the accounting profit) of the Company. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is calculated using the statement of financial position method and reflects the timing differences between the carrying amounts of assets and liabilities for financial reporting and their income tax bases. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, provided they are enacted or substantively enacted by the end of the financial year.

Deferred tax assets are recognised only when there is reasonable expectation that there will be sufficient future taxable income against which to use them. The carrying amount of deferred tax assets are reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Foreign currencies
Foreign currency transactions are translated into the functional currency of the entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in the income statement.

2. **ACCOUNTING POLICIES - continued**

Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of any identified asset for a period of time in exchange for consideration.

The Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Refer to note 12 Company as a lessee.

If ownership of the lease asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in impairment section.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

If lease contracts include extension and termination options, the Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(iv) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that met the low-value exemption criteria. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Employee benefit costs
The Company provides post-employment benefits through defined contribution retirement benefit plans. Payments to defined contribution retirement benefit plans are recognised as an expense when the relevant employees have rendered service entitling them to the contributions.

Borrowing costs
Borrowing costs on loans obtained are recognised in the income statement on an accruals basis at the implicit interest rate.

2. ACCOUNTING POLICIES - continued

Impairment of tangible and intangible assets other than goodwill
Assets are assessed for impairment at each statement of financial position date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement.

The recoverable amount of an asset is the higher of its net realisable value and its value in use. Net realisable value is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable parties, less costs of sale. Value in use is the present value of future cash flows from the continued use of an asset and its sale at the end of its useful life.

Impairment losses recognised in prior years are reversed when there are indications that the impairment losses no longer exist or have decreased. The reversal of impairment losses is recorded in the income statement. However, reversal of an impairment loss is recognised up to the amount that would have been recognised (net of depreciation or amortisation) had no impairment loss been recognised for that asset in prior years.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

Critical judgements in applying accounting policies

Recognition of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows.

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the deferred tax balances will be fully realised. Details of deferred taxation can be found in note 22.

Key sources of estimation uncertainty

Recoverability of trade receivables
For trade receivables and contract assets, the Company applies a simplified approach in calculating Expected Credit Loss (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4. REVENUE

The following is an analysis of the company's revenue for the year.

	2021 £	2020 £
Revenue from the provision of services in the UK	1,115,053	1,430,895

5. OTHER OPERATING INCOME

	2021 £	2020 £
Rental income	7,085	10,425
Other operational income	1,556	3,186
Profit on sale of tangible fixed assets	-	1,500
	8,641	15,111

6. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	299,769	392,160
Social security costs	29,430	40,406
Other pension costs	6,689	9,509
	335,888	442,075

6. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2021	2020
Management and administration	2	2
Production and packing	11	10
	13	12

Directors' emoluments

	2021 £	2020 £
Salary payments and other short-term employee benefits	-	-
Total directors' emoluments	-	-

Five (2020: Four) of the directors consider that their services to this Company are incidental to their other activities within the group. *Accordingly, the emoluments of five (2020: four) of the directors are paid by Vitacress Limited, the Company's* intermediate parent company. It is not possible to determine a specific allocation for services rendered to this Company. The aggregate emoluments of the highest paid director were £nil for salary payments and other benefits (2020: £nil).

7. NET FINANCE COSTS

	2021 £	2020 £
Finance costs:		
Bank charges	1,596	1,145
Interest on intercompany loans	10,227	9,240
Interest on leases	97	1,382
	11,920	11,767

8. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	2021 £	2020 £
Cost of inventories recognised as expense	261,788	385,333
Depreciation - owned assets	115,527	81,513
Depreciation - assets on finance leases	24,456	42,501
Loss/(profit) on disposal of fixed assets	5,638	(1,500)

9. INCOME TAX

Income tax recognised in the income statement

	2021 £	2020 £
Current tax		
Current year charge	(9,022)	(26,024)
Total current tax	(9,022)	(26,024)
Deferred Tax		
Current year	(10,456)	486
Effect of changes in tax rates	2,206	1,785
Adjustment in respect of previous periods	-	(278)
Total deferred tax	(8,250)	1,933
Total income tax expense recognised in income statement	(17,272)	(24,031)

Reconciliation of tax charge
The tax expense for the year can be reconciled to the accounting profit as follows:

	2021 £	2020 £
Profit before tax	101,163	130,081
Income tax - calculated at UK average corporation tax rate of 19.00%(2020: 19.00%)	(19,221)	(24,715)
Effect of changes in tax rates	2,206	1,785
Expenses not deductible	(257)	(1)
Adjustments in respect of prior years	-	(1,100)
Total income tax expense recognised in income statement	(17,272)	(24,031)

Factors affecting future tax charges
On 3rd March 2021 the Chancellor confirmed an increase in the corporation tax from 19% to 25% with effect from 1 April 2023. The closing deferred tax balances have been valued at 25%.

10. DIVIDENDS

On the 31st December 2021 an interim dividend of £100,000 was paid for the year ended 31st December 2021 (2020: £100,000).

11. AUDITORS' REMUNERATION

There was no charge in the current or previous years' financial statements for auditors' remuneration as the fees were charged in the financial statements of Vitacress Limited. It is not possible to allocate the audit or tax fee charged in Vitacress Limited across the entities within the Group.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings and other constructions	Plant and machinery	Vehicles	Office furniture and fittings	Work in progress	Right-of-use Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Balance at 1 January 2021	-	1,138,600	50,170	6,736	-	133,519	1,329,025
Additions	-	-	-	-	651,328	-	651,328
Disposals	-	(128,102)	-	-	-	(37,644)	(165,746)
Revaluations	-	-	-	-	-	(7,742)	(7,742)
Reclassification/transfer	13,800	349,522	-	-	(363,322)	-	-
Balance at 31 December 2021	13,800	1,360,020	50,170	6,736	288,006	88,133	1,806,865
Accumulated depreciation							
Balance at 1 January 2021	-	877,046	50,170	6,736	-	88,500	1,022,452
Charge for year	920	114,607	-	-	-	24,456	139,983
Eliminated on disposal	-	(110,963)	-	-	-	(37,644)	(148,607)
Balance at 31 December 2021	920	880,690	50,170	6,736	-	75,312	1,013,828
Carrying amount 31 December 2021	12,880	479,330	-	-	288,006	12,821	793,037

12. **PROPERTY, PLANT AND EQUIPMENT - continued**

	Plant and machinery	Vehicles	Office furniture and fittings	Work in progress	Right-of-use Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
Balance at 1 January 2020	1,112,858	54,170	6,736	-	118,180	1,291,944
Additions	-	-	-	28,674	-	28,674
Disposals	(2,932)	(4,000)	-	-	-	(6,932)
Revaluations	-	-	-	-	15,339	15,339
Reclassification/transfer	28,674	-	-	(28,674)	-	-
Balance at 31 December 2020	1,138,600	50,170	6,736	-	133,519	1,329,025
Accumulated depreciation						
Balance at 1 January 2020	798,465	54,170	6,736	-	45,999	905,370
Charge for year	81,513	-	-	-	42,501	124,014
Eliminated on disposal	(2,932)	(4,000)	-	-	-	(6,932)
Balance at 31 December 2020	877,046	50,170	6,736	-	88,500	1,022,452
Carrying amount 31 December 2020	261,554	-	-	-	45,019	306,573

12. PROPERTY, PLANT AND EQUIPMENT - continued

Company as a lessee
The Company has lease contracts for various items of lands, buildings and vehicles used in its operations. Leases of land and Building generally have lease terms between 2 and 3 years, while motor vehicles generally have lease terms between 3 and 5 years.

Set out below are the carrying amounts of right-of-use assets recognised and movements during the period.

	Land and natural resources £	Buildings and other constructions £	Vehicles £	Total £
Cost or valuation				
Balance at 1 January 2021	37,644	49,191	46,684	133,519
Revaluations	-	-	(7,742)	(7,742)
Disposals	(37,644)	-	-	(37,644)
Balance at 31 December 2021	-	49,191	38,942	88,133
Accumulated depreciation				
Balance at 1 January 2021	37,644	30,090	20,766	88,500
Depreciation expense	-	15,281	9,175	24,456
Disposals	(37,644)	-	-	(37,644)
Balance at 31 December 2021	-	45,371	29,941	75,312
Carrying amount 31 December 2021	-	3,820	9,001	12,821

	Land and natural resources £	Buildings and other constructions £	Vehicles £	Total £
Cost or valuation				
Balance at 1 January 2020	37,644	33,852	46,684	118,180
Revaluations	-	15,339	-	15,339
Balance at 31 December 2020	37,644	49,191	46,684	133,519
Accumulated depreciation				
Balance at 1 January 2020	20,571	15,045	10,383	45,999
Depreciation expense	17,073	15,045	10,383	42,501
Balance at 31 December 2020	37,644	30,090	20,766	88,500
Carrying amount 31 December 2020	-	19,101	25,918	45,019

Cost or valuation at 31st December 2021 is represented by:

	Buildings and other £	Right-of-use Assets £	Plant and machinery £
Cost	13,800	88,133	1,360,020

12. **PROPERTY, PLANT AND EQUIPMENT - continued**

	Office furniture and fittings	Vehicles	Work in Progress	Totals
	£	£	£	£
Cost	6,736	50,170	288,006	1,806,865

13. **INVENTORIES**

	2021	2020
	£	£
Raw materials	105,874	69,501

The cost of inventories recognised as an expense includes £nil (2020: £nil) in respect of write-downs of inventory to net realisable value.

14. **FINANCIAL ASSETS AND LIABILITIES**

Financial assets measured at amortised cost

Financial Assets	2021	2020
	£	£
Loans and receivables		
Trade receivables	-	385,512
Amounts owed by Group companies - trade	151,805	459,035
	151,805	844,547
Disclosed as:		
Current	151,805	844,547

Financial liabilities measured at amortised cost

Financial Liabilities	2021	2020
	£	£
Trade payables	(96,532)	(25,410)
Financial liabilities - borrowings (note 19)	(641,509)	(854,450)
Other current liabilities	(26,135)	(53,984)
Amounts owed to Group companies	(43,365)	(37,848)
	(807,541)	(971,692)
Disclosed as:		
Current	(805,229)	(951,750)
Non-Current	(2,312)	(19,942)
Total	(807,541)	(971,692)

15. **TRADE AND OTHER RECEIVABLES**

	2021	2020
	£	£
Current:		
Trade debtors	-	385,512
Amounts owed by group undertakings	151,805	459,035
State and public entities	-	7,566
Other current assets	9,142	3,681
	160,947	855,794

All of the Company's trade and other receivables are short-term, interest free and repayable on demand. They have been reviewed for indicators of impairment and no impairment provision was found to be necessary (2020: £nil).

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2021 £**	**2020 £**
100	Ordinary	£1	100	100

17. RESERVES

Retained earnings include all current and prior period retained profits and losses.

18. TRADE AND OTHER PAYABLES

	2021 £	**2020 £**
Current:		
Trade creditors	96,532	25,410
Amounts owed to group undertakings	43,365	37,848
Social security and other tax	1,001	-
Other current liabilities	25,134	53,984
	166,032	117,242

All amounts are short-term, interest free and repayable on demand.

19. FINANCIAL LIABILITIES - BORROWINGS

	2021 £	**2020 £**
Current:		
Intercompany loans	628,613	808,709
Leases (see note 20)	10,584	25,799
	639,197	834,508
Non-current:		
Leases (see note 20)	2,312	19,942

20. LEASING

Under IFRS16

Company as a lessee

Lease liabilities included in the Statement of financial position at 31 December

	2021 £	2020 £
Current	10,584	25,799
Non-current	2,312	19,942
	12,896	45,741

Amounts recognised in profit or loss

	2021 £	2020 £
Interest on lease liabilities	97	1,382
Depreciation expense of right-of-use assets	24,456	42,501
	24,553	43,883

Amount recognised in the statement of cash flows

	2021 £	2020 £
Total cash outflow for leases	(25,200)	(44,179)
	(25,200)	(44,179)

21. FINANCIAL INSTRUMENTS

Financial risk management objectives
The Company is exposed to various risks in relation to financial instruments; however none give rise to material exposures for the Company. The main types of risk are credit risk and liquidity risk.

The Company's risk management is coordinated with Vitacress Limited, its intermediate parent company, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium cash flows by minimising the exposure to financial markets. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

Capital management
The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2020.

The capital structure of the Company consists solely of the equity of the Company (comprising issued capital, and retained earnings).

The Company is not subject to any externally imposed capital requirements.

The Company manages its capital by regularly reviewing internal reports such as short and medium term cash flow forecasts and capital expenditure reports. Management use this information to assess the Company's capital availability against targets set by the parent company and manage it in line with the Company's objectives.

Credit risk management
The Company's exposure to credit risk is mainly associated with receivable accounts arising from operational activities. Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss for the Company.

The management of this risk seeks to guarantee an effective collection of its receivables without impact on the Company's financial equilibrium. This risk is controlled on a regular basis with the objective of (i) defining credit limits to customers based on credit checks undertaken, *(ii) controlling the level of credit, and (iii) regularly reviewing and analysing accounts receivable.*

Impairment losses on accounts receivable are computed considering (a) the risk profile of the customer, (b) the average collection period, which is different from business to business, and (c) the financial situation of the customer. The movements of these impairment losses during the years ended 31 December 2021 and 2020 are disclosed in trade and other receivables.

Liquidity risk management
Liquidity risk is the risk that the Company cannot meet or settle its obligations on time or at a reasonable price. Due to the existence of liquidity risk, management of liquidity is performed with the objective of ensuring permanent and efficient access to funds to fulfil commitments, minimising the probability of not being able to fulfil commitments and minimising the opportunity cost of retaining excess liquidity in the short-term.

The Company manages liquidity risk by regularly reviewing internal reports such as daily, weekly and medium term cash flow forecasts and matching the maturity profiles of financial assets and liabilities. Management uses this information to ensure sufficient liquidity is available for the Company's day to day needs.

21. FINANCIAL INSTRUMENTS - continued

Liquidity risk tables
The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. All mature within 12 months. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Liquidity Risk	Carrying Amount	Contractual cash flows	1 year or less	1-5 years	Total
	£	£	£	£	£
31 December 2021					
Amounts owed to Group companies	(43,365)	(43,365)	(43,365)	-	(43,365)
Loans from Group companies	(628,613)	(641,185)	(641,185)	-	(641,185)
Lease liabilities	(12,896)	(13,662)	(10,798)	(2,864)	(13,662)
Trade payables	(96,532)	(96,532)	(96,532)	-	(96,532)
Total	(781,406)	(794,744)	(791,880)	(2,864)	(794,744)
31 December 2020					
Amounts owed to Group companies	(37,848)	(37,848)	(37,848)	-	(37,848)
Loans from Group companies	(808,709)	(824,883)	(824,883)	-	(824,883)
Lease liabilities	(45,741)	(46,832)	(26,550)	(20,282)	(46,832)
Trade payables	(25,410)	(25,410)	(25,410)		(25,410)
Total	(917,708)	(934,973)	(914,619)	(20,282)	(934,973)

22. DEFERRED TAX

Deferred tax assets
The following is the analysis of deferred tax assets presented in the statement of financial position:

	2021	2020
	£	£
Deferred tax assets	7,295	14,530
	7,295	14,530

Deferred tax movement

	Opening Balance	*Recognised in* profit or loss	*Recognised in* OCI	*Closing* balance
	£	£	£	£
2021				
Deferred tax assets/(liabilities) in relation to:				
Property, plant & equipment	14,530	(8,250)	1,015	7,295
2020				
Deferred tax assets/(liabilities) in relation to:				
Property, plant & equipment	15,451	1,993	(2,914)	14,530

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

There are no unrecognised deductible temporary differences, unused tax losses and unused tax Credits.

23. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company, in independently administered funds.

The total expense recognised in the income statement of £6,689 (2020: £9,509) represents contributions payable to the plan by the Company at rates specified in the rules of the plan. As at 31 December 2021, contributions of £nil (2020: £nil) due in respect of the reporting year had not been paid over to the plan.

24. RELATED PARTY DISCLOSURES

The Company's immediate parent company is Vitacress Salads Limited, a company registered in the UK. The Company's intermediate parent company is Vitacress Limited, a company registered in the UK. The Company's ultimate parent company and controlling party is SIEL SGPS SA, a company registered in Portugal, who owns 100% of RAR - Sociedade de Controle (Holding) SA. The address of its registered office and principal place of business is Rua Passeio Alegre 624, 4169-002, Porto, Portugal.

RAR - Sociedade de Controle (Holding) SA is the largest group to consolidate these financial statements, and copies of its consolidated financial statements can be obtained from the address above. Vitacress Limited is the smallest group to consolidate these financial statements, and copies of its consolidated financial statements can be obtained from the Secretary at Vitacress Limited, Lagness Road, Runcton, Chichester, West Sussex, PO20 1LJ, UK.

Trading Transactions
During the year, the Company entered into the following trading transactions, in relation to the Company's principal activities, with related parties:

	Sales of goods and services rendered 2021 £	2020 £
D H Clifton & associates	960,404	961,044
Immediate parent	154,649	469,851
	1,115,053	1,430,895

In addition to the above trading transactions, the Company (was charged by)/made charges to fellow subsidiaries, which include all companies that are subsidiaries of Vitacress Limited as follows:

	2021 £	2020 £
Group tax relief claimed	(9,022)	-
Dividend to immediate parent company	(100,000)	(100,000)
Interest on group loan payable to intermediate parent	(10,227)	(9,240)
	(119,249)	(109,240)

The following balances were outstanding at the end of the financial year:

	Amounts owed by related parties		Amounts owed to related parties	
	2021 £	2020 £	2021 £	2020 £
Intermediate parent	-	-	(3,028)	(13,568)
Immediate parent	150,525	459,035	(5,464)	(24,280)
Fellow subsidiaries	631	-	(25,202)	-
Group companies				
D H Clifton & associates	-	385,512	(74,630)	-
	151,156	844,547	(108,324)	(37,848)

The amounts outstanding are unsecured,. interest free trading balances repayable in accordance with the standard terms of trade. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

Loans from related parties

	2021 £	2020 £
Immediate parent	(628,613)	(808,709)

24. RELATED PARTY DISCLOSURES - continued

The loan from the immediate parent Company was unsecured and attracted interest at a fixed rate of 2.00% (2020:2.00%) above the 3 month SONIA ruling in the month preceding the month in which the loan was made. The loan was considered by management to be short-term and repayable on demand.

Key management compensation
Key management comprises the executive directors of the parent company. The compensation paid or payable to key management for employee services is shown in note of Directors' emoluments.

25. EVENTS AFTER THE REPORTING PERIOD

On 24 February 2022, Russia commenced a military invasion of Ukraine which is still ongoing. In response, multiple jurisdictions have imposed economic sanctions and restrictions on Russia. Vitacress Kent Limited has no business involvement in either Ukraine or Russia and the economic and market effects of the war are uncertain and cannot be predicted at this stage. Therefore, management concludes that there are no events after the reporting period that require disclosure in these financial statements.