

Company Registration No. 05525354 (England and Wales)

**Fylde Fresh And Fabulous
Limited**

**Annual Report and Financial
Statements**

**For the Year Ended
28 February 2022**

FYLDE FRESH AND FABULOUS LIMITED

COMPANY INFORMATION

Directors	Mr C Bradley Mrs V Singleton Mr S Butcher Mr D Linton Aerospace Manufacturing Consultancy Ltd
Secretary	Mr D J Linton
Company number	05525354
Registered office	Floor 1 Capital House 8 Pittman Court, Pittman Way Fulwood Preston United Kingdom PR2 9ZG
Auditor	Azets Audit Services Chartered Accountants Floor 1, Capital House 8 Pittman Court, Pittman Way Fulwood Preston United Kingdom PR2 9ZG

FYLDE FRESH AND FABULOUS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 24

FYLDE FRESH AND FABULOUS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors present the strategic report for the year ended 28 February 2022.

Fair review of the business

The principal activity of the company continued to be that of growing, processing and distributing potatoes. The company also receives income for generating energy that is input into the national grid.

The food manufacturing and chip wholesale divisions have seen changes in turnover of +22.7% and -3.7% respectively. This was due to the effects of the Covid-19 lockdowns unwinding on demand as well as seasonal changes in raw material prices coming through in sales prices. Anaerobic Digester sales were increased due to higher electricity export prices.

The operating profit of the company has decreased from £1,102,990 to £730,853.

The directors monitor gross profit margins as another key performance indicator and note a decrease from 55.33% to 52.80%.

Position at the end of the year

The company has a net current assets ratio of 1.42 compared to 1.34 in the prior year.

Key financial performance indicators

The company has three trading divisions and the directors consider that the key financial performance indicators are those that monitor the performance in respect of each of these divisions:

	2022	2021
	£	£
Revenue	13,527,861	11,743,195
Gross profit	7,142,060	6,497,077
Gross margin	52.80%	55.33%
Operating profit	730,853	1,102,990
Retained earnings	2,682,203	2,577,844

The revenue of the company from sales analysed by division is as follows:

	2022	2021
	£	£
Chips	1,870,669	1,877,509
Potatoes	10,103,748	8,231,550
Anaerobic Digester	1,514,729	1,498,600
Other	38,715	135,536
Total	13,527,861	11,743,195

FYLDE FRESH AND FABULOUS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

Principal risks and uncertainties

The company faces a number of risks and uncertainties and the directors believe that the key business risks are as follows:

Economic lockdown

Closure of catering establishments and other out-of-home meal providers could reduce volume demand and also put the company's customer's liquidity under pressure potentially resulting in insolvency.

Mitigation: The company provides an essential and basic ingredient that is required even in the most extreme circumstances. The company's customer base ranges between food manufacturers supplying the retail sector to food service distributors and fast-food takeaway. This minimises the risk to the company from any one economic sector facing closures.

The company also closely manages its debtors to ensure that debts are kept low and within terms.

Insufficiently diverse customer portfolio

Over reliance on any one customer or sector would have a significant effect on the company's turnover and margin if that business were to be lost.

Mitigation: The company maintains very close relationships with its largest customers and holds long-term contracts that help to secure volume. The company holds a niche position in the market given that it is a potato specialist that is also a direct grower with expert knowledge of its raw material. This unique position ensures that competitors struggle to offer the product quality and service to match.

The company has invested in new production capacity so that it can win new business and bring in new customers which is already seeing additional volume coming into the company.

Government support in the renewable energy sector

A change in government policy could have an impact on the company's anaerobic digester division through regulatory change removing access to green energy tariffs.

Mitigation: The company works closely with industry bodies such as NFU and ADBA to keep abreast of proposed regulatory changes and also to lobby where appropriate for the company's best interests.

Competition risk

The industry in which the company operates is highly competitive. As a result the company has to price its products competitively in order to win tenders. However, developing new products, improving existing products, internal efficiencies and other measures have enabled the company to maintain its gross margin in recent years.

Health and Safety risk

The company is in a regulated industry where the maintenance of health and safety and environmental standards are absolutely crucial. The company recognises its obligations and the risk to its reputation of any incident affecting either its customers or employees. The directors are mindful of their responsibilities and comply with all relevant legislation.

On behalf of the board

Mrs V Singleton
Director

31 October 2022

FYLDE FRESH AND FABULOUS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The directors present their annual report and financial statements for the year ended 28 February 2022.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Bradley
Mrs V Singleton
Mr S Butcher
Mr D Linton
Aerospace Manufacturing Consultancy Ltd

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £334,865. The directors do not recommend payment of a further dividend.

Principal financial risks and uncertainties

The company's financial assets and liabilities consist of trade debtors and creditors, bank loans and overdrafts, inventories, and hire purchase agreements. Their existence exposes the company to a number of financial risks, which the company seeks to manage and limit the potential adverse effect. The main risks are:

Liquidity risk

The company operates within an agreed overdraft with the company bankers. The liquidity risk is considered low as the company has strong cash flow generated from operations.

Credit risk

To be commercial the company must allow its customers to trade with credit terms and hence the company is exposed to the associated risks. The company mitigates these risks by carrying out credit checks on new customers and a dedicated credit control department monitors the amounts outstanding from existing customers. Exposure to credit risk is considered low.

Future developments

The directors anticipate that the business environment will remain competitive and market conditions will continue to vary with climatic conditions that affect the potato market. They believe that the company is in a good financial position and that the risks that have been identified are being well managed. With careful focus on raw material procurement, sales volume growth and competitor activity, the directors are confident in the company's ability to maintain and build on this position, albeit with cautious growth expectations.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

FYLDE FRESH AND FABULOUS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of:

- Financial risk management objectives and policies

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mrs V Singleton
Director

31 October 2022

FYLDE FRESH AND FABULOUS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF FYLDE FRESH AND FABULOUS LIMITED

Opinion

We have audited the financial statements of Fylde Fresh and Fabulous Limited (the 'company') for the year ended 28 February 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

FYLDE FRESH AND FABULOUS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF FYLDE FRESH AND FABULOUS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FYLDE FRESH AND FABULOUS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF FYLDE FRESH AND FABULOUS LIMITED

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Julie Flintoff BA(Hons) FCA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

PRESTON

2 November 2022

FYLDE FRESH AND FABULOUS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	2021 £
Revenue	3	13,527,861	11,743,195
Cost of sales		(6,385,801)	(5,246,118)
Gross profit		7,142,060	6,497,077
Administrative expenses		(6,420,037)	(5,419,847)
Other operating income		8,830	25,760
Operating profit	4	730,853	1,102,990
Investment income	7	581	3,374
Finance costs	8	(4,360)	(8,941)
Profit before taxation		727,074	1,097,423
Tax on profit	9	(287,850)	(211,608)
Profit for the financial year		439,224	885,815

The income statement has been prepared on the basis that all operations are continuing operations.

FYLDE FRESH AND FABULOUS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

		2022		2021	
	Notes	£	£	£	£
Non-current assets					
Goodwill	11		27,000		32,400
Property, plant and equipment	12		3,540,234		3,301,226
			<u>3,567,234</u>		<u>3,333,626</u>
Current assets					
Inventories	13	860,952		935,635	
Trade and other receivables	14	2,186,092		1,928,763	
Cash and cash equivalents		2,019		2,222	
		<u>3,049,063</u>		<u>2,866,620</u>	
Current liabilities	15	(2,146,461)		(2,139,167)	
Net current assets			<u>902,602</u>		<u>727,453</u>
Total assets less current liabilities			<u>4,469,836</u>		<u>4,061,079</u>
Non-current liabilities	16		(502,274)		(424,995)
Provisions for liabilities					
Deferred tax liability	19	685,209		458,090	
		<u>(685,209)</u>		<u>(458,090)</u>	
Net assets			<u><u>3,282,353</u></u>		<u><u>3,177,994</u></u>
Equity					
Called up share capital	21		600,150		600,150
Retained earnings			<u>2,682,203</u>		<u>2,577,844</u>
Total equity			<u><u>3,282,353</u></u>		<u><u>3,177,994</u></u>

The financial statements were approved by the board of directors and authorised for issue on 31 October 2022 and are signed on its behalf by:

Mrs V Singleton
Director

Company Registration No. 05525354

FYLDE FRESH AND FABULOUS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 March 2020		600,150	2,036,907	2,637,057
Period ended 28 February 2021:				
Profit and total comprehensive income for the period		-	885,815	885,815
Dividends	10	-	(344,878)	(344,878)
Balance at 28 February 2021		600,150	2,577,844	3,177,994
Year ended 28 February 2022:				
Profit and total comprehensive income for the year		-	439,224	439,224
Dividends	10	-	(334,865)	(334,865)
Balance at 28 February 2022		600,150	2,682,203	3,282,353

FYLDE FRESH AND FABULOUS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	27	1,051,699	1,465,846
Interest paid		(4,360)	(8,941)
Income taxes paid		(205,608)	(36,815)
Net cash inflow from operating activities		841,731	1,420,090
Investing activities			
Purchase of property, plant and equipment		(803,433)	(414,951)
Proceeds on disposal of property, plant and equipment		69,997	55,500
Other investments and loans made		92,012	38,939
Interest received		581	3,374
Net cash used in investing activities		(640,843)	(317,138)
Financing activities			
Proceeds from finance leases		371,653	152,599
Proceeds of new bank loans		-	50,000
Repayment of bank loans		(7,500)	-
Payment of finance leases obligations		(239,982)	(282,396)
Dividends paid		(334,865)	(344,878)
Net cash used in financing activities		(210,694)	(424,675)
Net (decrease)/increase in cash and cash equivalents		(9,806)	678,277
Cash and cash equivalents at beginning of year		(68,735)	(747,012)
Cash and cash equivalents at end of year		(78,541)	(68,735)
Relating to:			
Cash at bank and in hand		2,019	2,222
Bank overdrafts included in creditors payable within one year		(80,560)	(70,957)

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

Company information

Fylde Fresh and Fabulous Limited is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is Floor 1 Capital House, 8 Pittman Court, Pittman Way, Fulwood, Preston, Lancashire, United Kingdom, PR2 9ZG. The principal place of business is Stanley Villa Farm, Back Lane, Weeton, Preston, PR4 3HN. The company is tax resident in the United Kingdom.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue represents amounts receivable for goods and services net of VAT and trade discounts. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product have been transferred to the customer.

Revenue also includes income from energy generated by the company that is input into the national grid. This revenue is recognised when the company is entitled to the income based on the units produced per the meter readings.

1.4 Intangible fixed assets - goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset. Goodwill is amortised at a rate of 5% straight line.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	- 5% Straight Line
Plant and machinery	- 4-10% Straight Line
Fixtures, fittings & equipment	- 33% Reducing Balance/33% Straight Line
Motor vehicles	- 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company only has financial assets (debtors, cash and bank balances) and financial liabilities (creditors and accruals) of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Leasing and hire purchase commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss on a straight line basis.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Property, plant and equipment

Tangible fixed assets are depreciated using the straight-line or reducing balance method based on the estimated useful life, taking into account any residual value. The asset's residual value and useful life are based on company best estimates and are reviewed, and adjusted if required, at each balance sheet date.

3 Revenue

An analysis of the company's revenue is as follows:

	2022	2021
	£	£
Revenue analysed by class of business		
Chips	1,870,669	1,877,509
Potatoes	10,103,748	8,231,550
Anaerobic Digester	1,514,729	1,498,600
Other	38,715	135,536
	<hr/>	<hr/>
	13,527,861	11,743,195
	<hr/>	<hr/>
	2022	2021
	£	£
Other significant revenue		
Interest income	581	3,374
Grants received	-	21,898
	<hr/>	<hr/>

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(21,898)
Fees payable to the company's auditor for the audit of the company's financial statements	8,250	8,975
Depreciation of owned property, plant and equipment	319,541	268,156
Depreciation of property, plant and equipment held under finance leases	188,577	182,367
Profit on disposal of property, plant and equipment	(13,690)	(546)
Amortisation of intangible assets	5,400	5,400
Operating lease charges	334,357	329,672
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Factory	48	35
Administration	11	10
Drivers	6	4
Yard	5	4
Anaerobic Digester	2	2
	<u> </u>	<u> </u>
Total	72	55
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,699,888	2,193,990
Social security costs	187,160	136,728
Pension costs	211,527	70,306
	<u> </u>	<u> </u>
	3,098,575	2,401,024
	<u> </u>	<u> </u>

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	47,842	66,852
Company pension contributions to defined contribution schemes	173,822	40,000
	<u> </u>	<u> </u>
	221,664	106,852
	<u> </u>	<u> </u>

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

7	Investment income	2022	2021
		£	£
	Interest income		
	Other interest income	581	3,374
		<u> </u>	<u> </u>
8	Finance costs	2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	4,360	8,625
	Other interest on financial liabilities	-	316
		<u> </u>	<u> </u>
		<u>4,360</u>	<u>8,941</u>
		<u> </u>	<u> </u>
9	Taxation	2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	60,731	205,608
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	227,119	6,000
		<u> </u>	<u> </u>
		<u>287,850</u>	<u>211,608</u>
		<u> </u>	<u> </u>
	Total tax charge	287,850	211,608
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
	The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:		
		2022	2021
		£	£
	Profit before taxation	727,074	1,097,423
		<u> </u>	<u> </u>
	Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	138,144	208,510
	Tax effect of expenses that are not deductible in determining taxable profit	3,933	3,098
	Tax effect of income not taxable in determining taxable profit	(1,067)	-
	Deferred Tax - Movement in rates	146,840	-
		<u> </u>	<u> </u>
	Taxation charge for the year	287,850	211,608
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

10 Dividends

	2022 £	2021 £
Final paid	334,865	344,878

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2021 and 28 February 2022	108,000
Amortisation and impairment	
At 1 March 2021	75,600
Amortisation charged for the year	5,400
At 28 February 2022	81,000
Carrying amount	
At 28 February 2022	27,000
At 28 February 2021	32,400

12 Property, plant and equipment

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 March 2021	377,179	5,467,025	461,109	392,120	6,697,433
Additions	51,566	339,437	126,546	285,884	803,433
Disposals	-	(193,337)	-	(34,653)	(227,990)
At 28 February 2022	428,745	5,613,125	587,655	643,351	7,272,876
Depreciation and impairment					
At 1 March 2021	87,998	2,748,646	385,449	174,114	3,396,207
Depreciation charged in the year	19,386	377,595	28,415	82,722	508,118
Eliminated in respect of disposals	-	(145,804)	-	(25,879)	(171,683)
At 28 February 2022	107,384	2,980,437	413,864	230,957	3,732,642
Carrying amount					
At 28 February 2022	321,361	2,632,688	173,791	412,394	3,540,234
At 28 February 2021	289,181	2,718,379	75,660	218,006	3,301,226

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

12 Property, plant and equipment

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022	2021
	£	£
Plant and machinery	780,390	1,191,132
Motor vehicles	350,037	152,957
	<u>1,130,427</u>	<u>1,344,089</u>

13 Inventories

	2022	2021
	£	£
Finished goods and goods for resale	860,952	935,635
	<u>860,952</u>	<u>935,635</u>

14 Trade and other receivables

	2022	2021
	£	£
Amounts falling due within one year:		
Trade receivables	1,349,296	1,132,871
Other receivables	365,504	409,144
Prepayments and accrued income	471,292	386,748
	<u>2,186,092</u>	<u>1,928,763</u>

15 Current liabilities

		2022	2021
	Notes	£	£
Bank loans and overdrafts	17	90,560	78,457
Obligations under finance leases	18	253,390	208,998
Trade payables		1,278,239	1,186,688
Amounts owed to group undertakings		28,351	28,351
Corporation tax		60,731	205,608
Other taxation and social security		45,922	40,689
Other payables		82,286	71,091
Accruals and deferred income		306,982	319,285
		<u>2,146,461</u>	<u>2,139,167</u>

Hire purchase creditors of £253,390 (2021: £208,998) are secured against the assets to which the agreement relates.

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

16 Non-current liabilities

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	32,500	42,500
Obligations under finance leases	18	469,774	382,495
		<u>502,274</u>	<u>424,995</u>

Hire purchase creditors of £469,774 (2021: £382,495) are secured against the assets to which the agreement relates.

17 Borrowings

	2022 £	2021 £
Bank loans	42,500	50,000
Bank overdrafts	80,560	70,957
	<u>123,060</u>	<u>120,957</u>
Payable within one year	90,560	78,457
Payable after one year	32,500	42,500
	<u>123,060</u>	<u>120,957</u>

The bank borrowings with Clydesdale Bank is repayable over 60 instalments of £833 commencing 26 June 2021. The interest rate charged on the loans is LIBOR + 2.5%.

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

18 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	300,968	253,119
In two to five years	504,456	445,393
	<u>805,424</u>	<u>698,512</u>
Less: future finance charges	(82,260)	(107,019)
	<u><u>723,164</u></u>	<u><u>591,493</u></u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery and motor vehicles. The Company has options to purchase the equipment for a nominal amount at the conclusion of the lease arrangements. The average lease term is 3 to 5 years.

The finance leases are secured by the lessors' title to the leased assets which have a carrying value of £1,130,427 (2021: £1,344,089).

The directors consider that the carrying amount of the obligations under finance leases approximate to their fair value.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2022	2021
	£	£
Balances:		
Accelerated capital allowances	685,972	458,625
Pension contributions	(763)	(535)
	<u>685,209</u>	<u>458,090</u>
	<u><u>685,209</u></u>	<u><u>458,090</u></u>
Movements in the year:		2022
		£
Liability at 1 March 2021		458,090
Charge to profit or loss		227,119
		<u>685,209</u>
Liability at 28 February 2022		<u><u>685,209</u></u>

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

20 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	211,527	70,306
	<u>211,527</u>	<u>70,306</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	600,150	600,150	600,150	600,150
	<u>600,150</u>	<u>600,150</u>	<u>600,150</u>	<u>600,150</u>

22 Financial commitments, guarantees and contingent liabilities

The company is party to an agreement for loans provided by Clydesdale Bank to Farm Generation Limited. The company has provided Clydesdale Bank with an unlimited guarantee.

The total indebtedness of Farm Generation Limited to Clydesdale Bank at 28 February 2022 was £2,512,711 (2021: £2,649,296).

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	398,884	416,551
Between two and five years	564,788	890,252
	<u>963,672</u>	<u>1,306,803</u>

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2022

24 Related party transactions

	2022 £	2021 £
Trade receivable due from related companies	85,299	21,742
Trade payable due to related companies	52,107	35,928
Good and services from related companies	990,656	725,199
Leases from related companies	325,340	329,672
Sales to related companies	233,777	478,119
Loans from directors	28,896	19,328
Loans from related companies	50,000	50,000
Loans to related companies	220,000	220,000
Services from a director	179,105	148,015
Sale of fixed assets to a director	70,000	15,000
Key management personnel remuneration	333,018	217,656

No bad or doubtful debts were recognised in respect of amounts due from related parties in the current or previous period.

Loans to related companies are unsecured, interest free and repayable on demand.

25 Directors' transactions

Directors' transactions regarding guarantees are set out in note 22 of the financial statements.

During the period interest free unsecured loans were provided to directors which were repayable on demand totalling £92,012. The loans were fully repaid in the period and no amounts were waived or written off.

26 Ultimate controlling party

The parent company of Fylde Fresh and Fabulous Limited is FFF Holdings Limited and its registered office is in the UK. Copies of the accounts for FFF Holdings Limited can be obtained from its registered office address: Floor 1 Capital House, 8 Pittman Court, Pittman Way, Fulwood, Preston, PR2 9ZG.

FYLDE FRESH AND FABULOUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

27 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	439,224	885,815
Adjustments for:		
Taxation charged	287,850	211,608
Finance costs	4,360	8,941
Investment income	(581)	(3,374)
Gain on disposal of property, plant and equipment	(13,690)	(546)
Amortisation and impairment of intangible assets	5,400	5,400
Depreciation and impairment of property, plant and equipment	508,118	450,523
Movements in working capital:		
Decrease in inventories	74,683	26,700
Increase in trade and other receivables	(349,341)	(102,762)
Increase/(decrease) in trade and other payables	95,676	(16,459)
Cash generated from operations	1,051,699	1,465,846

28 Analysis of changes in net debt

	1 March 2021	Cash flows	28 February 2022
	£	£	£
Cash at bank and in hand	2,222	(203)	2,019
Bank overdrafts	(70,957)	(9,603)	(80,560)
	(68,735)	(9,806)	(78,541)
Borrowings excluding overdrafts	(50,000)	7,500	(42,500)
Obligations under finance leases	(591,493)	(131,671)	(723,164)
	(710,228)	(133,977)	(844,205)

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