

RUDE HEALTH FOODS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

RUDE HEALTH FOODS LIMITED

COMPANY INFORMATION

Directors

C J L Barnard
N Barnard
J R Bouldin
S A Mullin (resigned 1 October 2019)

Registered number

05602067

Registered office

212 New Kings Road
London
SW6 4NZ

Independent auditors

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

RUDE HEALTH FOODS LIMITED

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RUDE HEALTH FOODS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Business review

The company achieved sales of £19,000,130 (2019: £18,283,306), an increase of 4% from the prior year. The disappointment of losing distribution in a major UK supermarket was offset by strong underlying growth in other UK retailers, food service expansion and strong international growth in Europe and ROW.

The company made a small profit of £4,369 compared with a loss of £200,659 in the prior year. The improvement in profitability was largely a consequence of a company restructure that took place half way through the year.

Principal risks and uncertainties

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

It is difficult to predict the exact impact and outcome of the governments Brexit negotiations – but risks with regards the depreciation of Sterling, potential additional import and export costs/red tape remain. The company's management are constantly reviewing mitigations like pricing strategy and stock levels to minimise any negative effects.

It is difficult to assess how significant a long term negative impact Covid-19 will have on the UK and global economy. In the short term there have been negative foreign currency impacts and significant challenges for the food service sector.

Key performance indicators

The directors consider that the key performance indicators for understanding the development and performance of the business are revenue and profitability. These have been discussed above.

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

J R Bouldin
Director

Date: 29 September 2020

RUDE HEALTH FOODS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £4,369 (2019 - loss £200,659).

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

Directors

The directors who served during the year were:

C J L Barnard
N Barnard
J R Bouldin
S A Mullin (resigned 1 October 2019)

Engagement with employees

In August 2019 the company was voted one of the top 100 companies to 'escape to' by Escape the City. 13,000 companies were nominated and 100 were selected, scored on impact, people, innovation, mission and planet.

RUDE HEALTH FOODS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

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

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

Post balance sheet events

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

Auditors

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

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

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J R Bouldin
Director

Date: 29 September 2020

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

Opinion

We have audited the financial statements of Rude Health Foods Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 or the Directors' report.

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

RUDE HEALTH FOODS LIMITED

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

Use of our report

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

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

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

30 September 2020

RUDE HEALTH FOODS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover		19,000,130	18,283,306
Cost of sales		(13,943,549)	(13,659,362)
Gross profit		5,056,581	4,623,944
Administrative expenses		(5,047,770)	(4,845,825)
Operating profit/(loss)		8,811	(221,881)
Interest receivable and similar income		655	3,538
Interest payable and expenses		(1,908)	(16)
Profit/(loss) before tax		7,558	(218,359)
Tax on profit/(loss)	8	(3,189)	17,700
Profit/(loss) for the financial year		4,369	(200,659)

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 12 to 25 form part of these financial statements.

RUDE HEALTH FOODS LIMITED
REGISTERED NUMBER: 05602067

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible fixed assets	9	109,344	96,030
Tangible fixed assets	10	161,335	245,822
Investments	11	1	-
		<u>270,680</u>	<u>341,852</u>
Current assets			
Stocks		1,721,672	1,852,187
Debtors: amounts falling due within one year	12	3,275,972	3,147,412
Bank and cash balances	13	850,019	463,039
		<u>5,847,663</u>	<u>5,462,638</u>
Creditors: amounts falling due within one year	14	(4,094,788)	(3,782,901)
		<u>1,752,875</u>	<u>1,679,737</u>
Net current assets			
		<u>2,023,555</u>	<u>2,021,589</u>
Total assets less current liabilities			
Provisions for liabilities			
Deferred tax	16	(12,499)	(14,902)
		<u>(12,499)</u>	<u>(14,902)</u>
Net assets		<u><u>2,011,056</u></u>	<u><u>2,006,687</u></u>
Capital and reserves			
Called up share capital	17	400,010	400,010
Share premium account	18	146,000	146,000
Capital redemption reserve	18	11,990	11,990
Profit and loss account	18	1,453,056	1,448,687
		<u><u>2,011,056</u></u>	<u><u>2,006,687</u></u>

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

C J L Barnard
Director

Date: 29 September 2020

The notes on pages 12 to 25 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2018	397,510	138,000	11,990	1,649,346	2,196,846
Comprehensive income for the year					
Loss for the year	-	-	-	(200,659)	(200,659)
Total comprehensive income for the year	-	-	-	(200,659)	(200,659)
Shares issued during the year	2,500	8,000	-	-	10,500
Total transactions with owners	2,500	8,000	-	-	10,500
At 1 April 2019	400,010	146,000	11,990	1,448,687	2,006,687
Comprehensive income for the year					
Profit for the year	-	-	-	4,369	4,369
Total comprehensive income for the year	-	-	-	4,369	4,369
Total transactions with owners	-	-	-	-	-
At 31 March 2020	400,010	146,000	11,990	1,453,056	2,011,056

The notes on pages 12 to 25 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	4,369	(200,659)
Adjustments for:		
Amortisation of intangible assets	65,534	29,104
Depreciation of tangible assets	194,513	213,436
Interest paid	1,908	16
Interest received	(655)	(3,538)
Taxation charge	3,189	(17,700)
Decrease/(increase) in stocks	130,515	(665,788)
(Increase) in debtors	(134,152)	(484,171)
Increase in creditors	311,886	1,394,672
Corporation tax received/(paid)	-	(61,239)
Net cash generated from operating activities	577,107	204,133
Cash flows from investing activities		
Purchase of intangible fixed assets	(78,848)	(91,330)
Purchase of tangible fixed assets	(110,026)	(237,344)
Interest received	655	3,538
Net cash from investing activities	(188,219)	(325,136)
Cash flows from financing activities		
Issue of ordinary shares	-	10,500
Interest paid	(1,908)	(16)
Net cash used in financing activities	(1,908)	10,484
Net increase/(decrease) in cash and cash equivalents	386,980	(110,519)
Cash and cash equivalents at beginning of year	463,039	573,558
Cash and cash equivalents at the end of year	850,019	463,039
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	850,019	463,039
	850,019	463,039

The notes on pages 12 to 25 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019	Cash flows	At 31 March
	£	£	2020
			£
Cash at bank and in hand	463,039	386,980	850,019
	<u>463,039</u>	<u>386,980</u>	<u>850,019</u>

The notes on pages 12 to 25 form part of these financial statements.

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have considered the impact of the global Covid-19 pandemic on the ability of the company to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections and performing rigorous stress testing on these projections in respect of income and the company's supply chain. Based on this review and taken together with existing financing facilities the directors believe that the financial statements have been prepared appropriately on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

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

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

2.5 Tangible fixed assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

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

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

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

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

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

2.8 Debtors

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

2.9 Cash and cash equivalents

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

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

2.10 Financial instruments

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.13 Operating leases: the Company as lessee

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

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

2.14 Pensions

Defined contribution pension plan

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

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

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Turnover

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

	2020 £	2019 £
Food sales	18,653,926	17,924,357
Cafe sales	346,204	358,949
	<u>19,000,130</u>	<u>18,283,306</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	15,105,301	15,042,827
Rest of Europe	2,505,321	2,157,132
Rest of the world	1,389,508	1,083,347
	<u>19,000,130</u>	<u>18,283,306</u>

5. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £7,800 (2019 - 7,500).

6. Employees

	2020 £	2019 £
Wages and salaries	1,922,938	1,913,498
Social security costs	225,822	219,261
Pension costs	46,262	32,631
	<u>2,195,022</u>	<u>2,165,390</u>

The average monthly number of employees, including directors, during the year was 46 (2019 - 45).

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	606,092	673,913
Company contributions to defined contribution pension schemes	18,183	14,479
	<u>624,275</u>	<u>688,392</u>

The highest paid director received remuneration of £175,500 (2019 - £197,175).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,265 (2019 - £3,944).

Key management personnel consists of the directors. The total employment benefits including employer pension and national insurance contributions in respect of these individuals is £703,151 (2019: £741,493).

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	5,592	-
Adjustments in respect of previous periods	-	(12,795)
	<u>5,592</u>	<u>(12,795)</u>
Total current tax	<u>5,592</u>	<u>(12,795)</u>
Deferred tax		
Origination and reversal of timing differences	(2,403)	(4,905)
	<u>(2,403)</u>	<u>(4,905)</u>
Taxation on profit/(loss) on ordinary activities	<u>3,189</u>	<u>(17,700)</u>

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Taxation (continued)

Factors affecting tax charge for the year

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

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>7,558</u>	<u>(218,359)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,436	(41,488)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	25,435
Utilisation of tax losses	-	12,795
Adjustments to tax charge in respect of prior periods	-	(12,794)
Other differences leading to an increase (decrease) in the tax charge	1,753	(1,648)
Total tax charge for the year	<u><u>3,189</u></u>	<u><u>(17,700)</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Intangible assets

	Trademarks £
Cost	
At 1 April 2019	141,559
Additions	78,848
	<hr/>
At 31 March 2020	220,407
	<hr/>
Amortisation	
At 1 April 2019	45,529
Charge for the year on owned assets	65,534
	<hr/>
At 31 March 2020	111,063
	<hr/>
Net book value	
At 31 March 2020	<hr/> <u>109,344</u>
At 31 March 2019	<hr/> <u>96,030</u>

RUDE HEALTH FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Cafe assets £	Computer equipment £	Brand assets £	Total £
Cost or valuation						
At 1 April 2019	91,819	33,300	161,967	95,973	545,937	928,996
Additions	24,028	-	2,790	10,868	72,340	110,026
				106,841	618,277	
At 31 March 2020	115,847	33,300	164,757			1,039,022
Depreciation						
At 1 April 2019	83,257	28,860	148,721	55,317	367,019	683,174
Charge for the year	8,790	4,440	12,879	23,463	144,941	194,513
				78,780	511,960	
At 31 March 2020	92,047	33,300	161,600			877,687
Net book value						
At 31 March 2020	23,800	-	3,157	28,061	106,317	161,335
At 31 March 2019	8,562	4,440	13,246	40,656	178,918	245,822

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 March 2020	1
Subsidiary undertaking	
The following was a subsidiary undertaking of the Company:	
Name	Registered office
	Class of shares
	Holding

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Subsidiary undertaking (continued)

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Aggregate of share capital and reserves
Rude Health Foods B.V.	1

The subsidiary undertaking, Rude Health Foods B.V. was incorporated on 5 July 2019 and remained dormant to 31 March 2020. As a result, the subsidiary undertaking is considered immaterial to the group and consolidated accounts have not been prepared.

12. Debtors

	2020 £	2019 £
Trade debtors	3,060,110	2,842,875
Other debtors	68,503	66,486
Prepayments and accrued income	140,157	225,256
Corporation tax recoverable	7,202	12,795
	<u>3,275,972</u>	<u>3,147,412</u>

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	850,019	463,039
	<u>850,019</u>	<u>463,039</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,292,657	2,550,836
Amounts owed to group undertakings	1	-
Other taxation and social security	61,172	49,971
Other creditors	5,310	-
Accruals and deferred income	1,735,648	1,182,094
	<u>4,094,788</u>	<u>3,782,901</u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>850,019</u>	<u>463,039</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

16. Deferred taxation

	2020 £
At beginning of year	(14,902)
Charged to profit or loss	2,403
At end of year	<u><u>(12,499)</u></u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(14,109)	(14,902)
Other timing differences	1,610	-
	<u><u>(12,499)</u></u>	<u><u>(14,902)</u></u>

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
400,010 (2019 - 400,010) Ordinary shares of £1.00 each	<u><u>400,010</u></u>	<u><u>400,010</u></u>

18. Reserves

Share premium account

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

Capital redemption reserve

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

Profit and loss account

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

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £51,593 (2019 - £29,053) . Contributions totalling £8,473 (2019 - £32) were payable to the fund at the balance sheet date and are included in creditors.

20. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	143,786	125,024
Later than 1 year and not later than 5 years	571,716	519,260
Later than 5 years	-	137,844
	<u><u>715,502</u></u>	<u><u>782,128</u></u>

21. Related party transactions

During the year there were no related party transactions.

RUDE HEALTH FOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

22. Controlling party

There is no one controlling party.

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