

Parent company of **Crave Simply Ltd**  
(Company No: 11515076)  
Statement in accordance with section 479A(2)(d) of  
Companies Act 2006 may be found on page 24.

## **Lotus Flower Holdings Limited**

### **Annual Report and Financial Statements**

For the year ended 31 March 2022

Registered number: 08802695



**Lotus Flower Holdings Limited**

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**Company Information**

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

## Contents

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

# Lotus Flower Holdings Limited

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## Group strategic report

For the year ended 31 March 2022

### Introduction

The Directors present their Group strategic report for the group headed by Lotus Flower Holdings Limited ('the Company') for the twelve-month period from 1 April 2021 to 31 March 2022.

### Principal activity

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

### Business review

Lotus Flower Holdings Limited is a holding company whose principal subsidiary is Wealmoor Limited.

Wealmoor are a fresh food business established in 1973, with deeply integrated growing operations and supply chains focused on end-to-end management of key product areas including fresh specialty vegetables, tropical fruit, ingredients and herbs. The Group combines an extensive sourcing network throughout the world with its own farming and processing facilities in strategically located countries such as The Gambia, Spain and Peru.

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

The impact of Brexit and the Covid-19 pandemic have resulted in increased uncertainty and cost pressures for the business, most notably across the supply chain, which impacted profitability in the period as the Group developed opportunities to mitigate this impact wherever possible. In addition, while the Group does not directly source from regions directly impacted by the Russian invasion of Ukraine, the impact on global supply chains and cost presents a continued challenge. The Group continually works with both suppliers and customers on projects and plans to help mitigate these pressures as well as consistently reviewing internal procedures to improve efficiency.

The results for the period and financial position of the Group are shown in the financial statements. The directors were satisfied with the performance in the period in the context of a challenging trading environment and the continued development and investment in the prepared division. The macro-economic challenges are expected to remain in the forthcoming year, however the Directors are confident the Group will continue to perform to a satisfactory level.

### Principal risks and uncertainties

#### Commercial risk

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

#### Other key general risks and uncertainty include:

Inflationary pressure on consumer spending patterns – The Group invests in the total supply chain to reduce and control input costs.

Supply risk, local political and environmental – The Group has a diversified range of suppliers in a range of countries which can offset any individual local issues.

Competitor activity – The Group invests to be able to deliver to customers at competitive prices.

# Lotus Flower Holdings Limited

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## Group strategic report (continued)

For the year ended 31 March 2022

### Principal risks and uncertainties (continued)

Foreign exchange – The Group purchases goods in foreign currencies and is exposed to market movements. The business reviews hedging opportunities and may from time to time engage in forward contracts. The Group endeavours to mitigate impacts in cooperation with customers and suppliers.

Labour costs – The business continues to invest in processing and automation to help offset increasing costs.

### Key performance indicators

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

	FY22 (12 months)	FY21 (6 months)
Sales (£k)	162,395	88,412
Operating (loss)/profit (£k)	(2,287)	1,020
Loss before tax	(23)	(671)
Stock (days)	5	7
Net assets (£k)	39,512	39,619

The directors are satisfied with performance, in the context of significant pressure experienced in the market and across global supply chains as the full cost impact resulting from the covid-19 pandemic was realised, however, the directors are confident that appropriate plans are in place to mitigate inflationary and market pressures in order maintain performance at a satisfactory level.

### Future developments

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

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

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

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

In seeking to achieve this, we have regard to:

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

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

**Group strategic report (continued)**

For the year ended 31 March 2022

**Impact of our operations on the environment**

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

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



**L A Malde**  
Director

Date: 29/11/2022

# Lotus Flower Holdings Limited

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## Directors' report

For the year ended 31 March 2022

The Directors present their annual report and the Group strategic report and the consolidated financial statements of Lotus Flower Holdings Limited ('the Company') and its subsidiaries (together 'the Group') for the period from 1 April 2021 to 31 March 2022

### Results and dividends

The loss for the year, after taxation and minority interests, amounted to £45,177 (2021 -loss £624,095).

No dividend was paid during the year.

### Directors

The Directors who served during the year were:

L A Malde

A A Malde

### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Lotus Flower Holdings Limited

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## Directors' report (continued)

For the year ended 31 March 2022

### Engaging with our colleagues

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

The Group continues to invest in the health, physical and mental wellbeing of our people and food safety of our products, with the prevention of accidents and ill health considered an important function, to ensure that any of our employees or any other person do not suffer as the result of our activities or work processes.

During the pandemic we fully supported our colleagues and to our knowledge we experienced no contamination in the workplace. Covid-19 management teams provided an integrated and supportive response and our employees have responded impressively to the challenges we faced in 2020 and 2021. We are immensely proud of all our people which have enabled all our sites to remain fully open throughout the impacted period.

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

The Group's employment policies respect the individual and offer career opportunities regardless of gender, race or religion. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the company that the training, career developments and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### Greenhouse gas emissions, energy consumption and energy efficiency action

#### Background

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

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

#### Wealmoor Net-Zero strategy

Wealmoor understands that climate change is one of society's biggest challenges and also has an impact on our global business. Since 2021 the company has been publicly committed to reducing its' Greenhouse emissions across the supply chain and reaching Net-Zero by 2040, with the Company Net-Zero targets approved and validated by the Science-Based Targets Initiative (SBTi).

The actions we took during the last year were:

- In June 2021, Wealmoor Limited joined "Business ambition for 1.5 C" to align its' strategy with the Paris Agreement and UN Sustainable Development Goals (SDG).
- In October 2021, all Wealmoor Limited electricity contracts were moved to certified renewable energy
- In December 2021, the company quantified GHG emissions for Scope 1 and 2, and established the year 2018/19 as the baseline year.

#### SECR reporting period

The reporting period is from April 2021 to March 2022, which is the first time that SECR is calculated for a standard 12-month financial period. The previous two SECR reports were presented for 18-month and 6-month periods respectively.



## Directors' report (continued)

For the year ended 31 March 2022

### SECR reporting period (continued)

In 2020, Wealmoor opened a new food preparation facility. The facility has gradually increased its production, however the Group's actions have still resulted in a reduction of its overall tonnage of CO<sub>2</sub>e per tonne of product, even when taking into account the impact of increased energy consumption from this facility.

### Scope

The operational control approach has been utilised for this report, which includes Scope 1 and 2 emissions, however, excludes subsidiary companies and Scope 3 requirements that do not come under SECR.

#### Scope 1, Direct emissions

- Energy & emissions related to buildings
- Business travel in company-owned/leased vehicles, where the Company pays for the fuel,
- Company heavy goods vehicles
- Refrigeration systems fugitive emissions

#### Scope 2, Indirect emissions

- Purchased electricity

### Approach and calculation methodology

We are committed to developing an accurate and transparent environmental footprint and related disclosures and reports, which will support our environmental sustainability programme and impact reduction measures. We have calculated our emission using the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard* (revised edition) and the 2019 Environmental Reporting Guidelines: Streamlined Energy and Carbon Reporting guidance. The relevant emissions factors for emissions calculations taken from the 2020 UK Government Conversion Factors for greenhouse gas (GHG) reporting provided by the UK Government (the Department for Environment, Food and Rural Affairs, Defra, and the Department for Business, Energy and Industrial Strategy, BEIS).

We have collated data on gas, diesel delivery vehicles and electricity consumption from invoices and using supplier's customer accounts websites. Contractor maintenance records were reviewed for the calculation of direct fugitive emissions from cooling and air-conditioning systems and business travel emissions have been calculated from expense claim invoices.

We continue to define and develop a company methodology to accurately document all our energy and emissions reference data.

## Lotus Flower Holdings Limited

### Directors' report (continued)

For the year ended 31 March 2022

Results from April 2021 to March 2022

Greenhouse emissions as tonnes of CO<sub>2</sub>e (t CO<sub>2</sub>e)

Aspect	April 2021 to March 2022 (12 months)	October 2020 to March 2021 (6 months)	April 2019 to September 2020 (18 months)
<u>Direct emissions (Scope 1)</u>			
<b>Energy Heating</b>	<b>93.4</b>	<b>41.6</b>	<b>151.6</b>
Natural gas	35.4	22.1	19.2
Gas oil	58.0	19.5	132.5
<b>Company vehicles</b>	<b>511.3</b>	<b>247.5</b>	<b>973.6</b>
Passenger vehicles	14.6	9.6	43.5
Delivery vehicles	496.7	238.0	930.2
Fugitive emissions	0	0	0
<b>Total Scope 1</b>	<b>604.7</b>	<b>289.1</b>	<b>1,125.3</b>
<u>Indirect emissions (Scope 2)</u>			
Electricity (Location-based)	1,647.5	863.0	2,631.0
<b>Total Scope 2</b>	<b>1,647.5</b>	<b>863.0</b>	<b>2,631.0</b>
<b>Total Scope 1 &amp; 2</b>	<b>2,252.2</b>	<b>1,152.1</b>	<b>3,756.3</b>
<b>INTENSITY RATIO</b>			
tCO <sub>2-e</sub> per t product	0.0386	0.0398	0.0312
tCO <sub>2-e</sub> per £	0.000014	0.000014	0.000015

\*Marked - Based electricity emissions are shown for comparison purposes. From October 2021, Wealmoor only purchases electricity from certified renewable sources. We estimate that this could reduce Wealmoor's carbon footprint by 870 tCO<sub>2-e</sub>.

#### Future actions in net-zero

The Group is committed to reduce its energy consumption and GHG emissions to minimise its environmental impact and achieve Net Zero's targets. Our main actions for 2022 are

- Developing a programme to drive further energy savings
- Quantifying Scope 3 emissions, engaging with suppliers
- Validating Science Based Targets

## Directors' report (continued)

For the year ended 31 March 2022

Aspect	April 2021 to March 2022 (12 months)	October 2020 to March 2021 ** (6 months)	April 2019 to September 2020 ** (18 months)
<b>Scope 1</b>			
<b>Energy</b>	<b>412,528.7</b>	<b>196,113.8</b>	<b>620,165.3</b>
<i>Natural Gas</i>	<i>193,641.5</i>	<i>120,171.3</i>	<i>104,237.2</i>
<i>Gas-oil</i>	<i>218,887.2</i>	<i>75,942.5</i>	<i>515,928.1</i>
<b>Travel (Owned/leased vehicles)</b>	<b>1,625,659.7</b>	<b>827,295.4</b>	<b>2,869,978.5</b>
<i>Passenger vehicles</i>	<i>63,488.1</i>	<i>37,609.1</i>	<i>176,610.1</i>
<i>Delivery vehicles</i>	<i>1,562,171.6</i>	<i>196,113.8</i>	<i>2,693,368.4</i>
<b>Total Scope 1</b>	<b>2,038,188.4</b>	<b>1,023,409.2</b>	<b>3,490,143.8</b>
<b>Scope 2</b>			
Electricity	7,940,430.5	3,876,544.0	10,797,439.3
<b>Total Scope 2</b>	<b>7,940,430.5</b>	<b>3,876,544.0</b>	<b>10,797,439.3</b>
<b>Total Energy Consumption</b>	<b>9,978,618.9</b>	<b>4,899,953.2</b>	<b>14,287,583.1</b>

\*\* Some adjustments have been made to prior year data reflecting improved quality of data capture.

### Energy efficiency measures

Energy Systems have been independently audited under ESOS. We continue to develop plans, following auditor recommendations, to increase our efficiency and reduce energy usage, including:

- Enhanced training for colleagues
- Updating systems to embrace new technologies
- Reviewing opportunities to increase energy production, including increasing solar panels surface area and investigating "waste to energy" technology.

### Matters covered in the strategic report

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

## Lotus Flower Holdings Limited

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### Directors' report (continued)

For the year ended 31 March 2022

#### Disclosure of information to auditor

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

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

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



**L A Malde**  
Director

Date: 29/11/2022

# **Independent Auditor's Report to the Members of Lotus Flower Holdings Limited**

For the year ended 31 March 2022

## **Opinion**

We have audited the financial statements of Lotus Flower Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's loss 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our 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.

## **Independent Auditor's Report to the Members of Lotus Flower Holdings Limited (continued)**

*For the year ended 31 March 2022*

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

### **Responsibilities of directors**

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

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

# **Independent Auditor's Report to the Members of Lotus Flower Holdings Limited (continued)**

For the year ended 31 March 2022

## **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the Group and the parent Company through discussions with the directors and other management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we considered the impact of COVID-19 on the Group and parent Company and its internal controls; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and parent Company including the Companies Act 2006, employment legislation, the Health and Safety Act 1974 and taxation legislation.

We assessed the extent of compliance with laws and regulations identified above through:

- making enquiries of management;
- reviewing board minutes throughout the period for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the Group and parent Company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the period;
- reviewed journal entries to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period or expectations;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the Group and parent Company's management, specifically in relation to the valuation of the freehold property and recognition of turnover; and
- carried out substantive testing to check the occurrence and cut-off of income and expenditure.

## **Independent Auditor's Report to the Members of Lotus Flower Holdings Limited (continued)**

For the year ended 31 March 2022

### **Auditor's responsibilities for the audit of the financial statements (continued)**

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### **Use of our report**

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

Katherine White (Senior statutory auditor)  
for and on behalf of  
**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL  
Date: 30 November 2022



## Lotus Flower Holdings Limited

### Consolidated statement of comprehensive income

For the year ended 31 March 2022

		31 March 2022 £	6 months ended 31 March 2021 £
	Note		
Turnover	4	162,395,496	88,411,818
Cost of sales		(151,911,130)	(81,404,527)
<b>Gross profit</b>		<b>10,484,366</b>	<b>7,007,291</b>
Administrative expenses		(12,526,465)	(6,753,746)
Other operating income		136,910	7,000
Revaluation of investments		50,336	183,789
Other operating expenses		(1,375,129)	-
<b>Operating (loss)/profit</b>	5	<b>(3,229,982)</b>	<b>444,334</b>
Share of profit of associates		942,572	575,308
<b>Total operating (loss)/profit</b>		<b>(2,287,410)</b>	<b>1,019,642</b>
Interest receivable and similar income	9	226,485	413,516
Interest payable and similar expenses	10	(265,693)	(397,053)
Unrealised gain/loss		2,303,816	(1,707,227)
<b>Loss before taxation</b>		<b>(22,802)</b>	<b>(671,122)</b>
Tax on loss	11	(111,821)	8,337
<b>Loss for the financial year</b>		<b>(134,623)</b>	<b>(662,785)</b>
Foreign exchange on translation of subsidiary		27,042	522,394
<b>Total comprehensive income for the year</b>		<b>(107,581)</b>	<b>(140,391)</b>
<b>(Loss) for the year attributable to:</b>			
Non-controlling interests		(89,446)	(38,690)
Owners of the parent Company		(45,177)	(624,095)
		<b>(134,623)</b>	<b>(662,785)</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

## **Lotus Flower Holdings Limited**

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### **Consolidated statement of comprehensive income (continued)**

For the year ended 31 March 2022

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

## Consolidated statement of financial position

As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	13	271,434	308,218
Tangible assets	14	19,640,078	19,372,754
Investments	15	6,457,351	6,725,348
		<u>26,368,863</u>	<u>26,406,320</u>
<b>Current assets</b>			
Stocks	16	3,598,691	4,514,738
Debtors: amounts falling due within one year	17	21,547,618	24,190,848
Cash at bank and in hand	18	15,296,064	16,585,591
		<u>40,442,373</u>	<u>45,291,177</u>
Creditors: amounts falling due within one year	19	(23,251,874)	(28,391,078)
<b>Net current assets</b>		<u>17,190,499</u>	<u>16,900,099</u>
<b>Total assets less current liabilities</b>		<u>43,559,362</u>	<u>43,306,419</u>
<b>Provisions for liabilities</b>			
Deferred taxation	20	(502,674)	(343,704)
Other provisions	21	(3,544,907)	(3,343,351)
		<u>(4,047,581)</u>	<u>(3,687,055)</u>
<b>Net assets</b>		<u><u>39,511,781</u></u>	<u><u>39,619,364</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	50,600	50,600
Share premium account		240,470	240,470
Foreign exchange reserve		808,819	781,777
Merger reserve		100	100
Profit and loss account		39,071,010	39,116,187
<b>Equity attributable to owners of the parent Company</b>		<u>40,170,999</u>	<u>40,189,134</u>
Non-controlling interests		(659,218)	(569,770)
		<u><u>39,511,781</u></u>	<u><u>39,619,364</u></u>

**Consolidated statement of financial position (continued)**

As at 31 March 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/11/2022



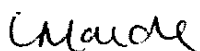
**L A Malde**  
Director

## Company statement of financial position

As at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	15	<b>7,928,117</b>	7,928,117
		<b>7,928,117</b>	7,928,117
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	<b>8,098,939</b>	9,431,876
Cash at bank and in hand	18	<b>14,105,012</b>	15,028,829
		<b>22,203,951</b>	24,460,705
Creditors: amounts falling due within one year	19	<b>(12,320,514)</b>	(16,051,901)
<b>Net current assets</b>		<b>9,883,437</b>	8,408,804
<b>Total assets less current liabilities</b>		<b>17,811,554</b>	16,336,921
<b>Net assets</b>		<b>17,811,554</b>	16,336,921
<b>Capital and reserves</b>			
Called up share capital	22	<b>50,600</b>	50,600
Share premium account		<b>240,470</b>	240,470
Profit and loss account brought forward		<b>16,045,851</b>	15,418,701
Profit for the year		<b>1,474,633</b>	627,150
Profit and loss account carried forward		<b>17,520,484</b>	16,045,851
		<b>17,811,554</b>	16,336,921

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/11/2022



**L A Malde**  
Director

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

## Consolidated statement of changes in equity

For the period ended 31 March 2022

	Called up share capital	Share premium account	Foreign exchange reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
<b>At 1 October 2020</b>	<b>50,600</b>	<b>240,470</b>	<b>259,382</b>	<b>100</b>	<b>39,740,282</b>	<b>40,290,834</b>	<b>(531,290)</b>	<b>39,759,544</b>
<b>Comprehensive income for the period</b>								
Loss for the period	-	-	-	-	(624,095)	(624,095)	(38,480)	(662,575)
Foreign exchange on translation of subsidiary	-	-	522,395	-	-	522,395	-	522,395
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>522,395</b>	<b>-</b>	<b>(624,095)</b>	<b>(101,700)</b>	<b>(38,480)</b>	<b>(140,180)</b>
<b>At 1 April 2021</b>	<b>50,600</b>	<b>240,470</b>	<b>781,777</b>	<b>100</b>	<b>39,116,187</b>	<b>40,189,134</b>	<b>(569,770)</b>	<b>39,619,364</b>
Loss for the year	-	-	-	-	(45,177)	(45,177)	(89,448)	(134,625)
Foreign exchange on translation of subsidiary	-	-	27,042	-	-	27,042	-	27,042
<b>At 31 March 2022</b>	<b>50,600</b>	<b>240,470</b>	<b>808,819</b>	<b>100</b>	<b>39,071,010</b>	<b>40,170,999</b>	<b>(659,218)</b>	<b>39,511,781</b>

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

## Lotus Flower Holdings Limited

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### Company statement of changes in equity

For the year ended 31 March 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 October 2020</b>	<b>50,600</b>	<b>240,470</b>	<b>15,418,701</b>	<b>15,709,771</b>
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	627,150	627,150
<b>At 1 April 2021</b>	<b>50,600</b>	<b>240,470</b>	<b>16,045,851</b>	<b>16,336,921</b>
Profit for the year	-	-	1,474,633	1,474,633
<b>At 31 March 2022</b>	<b>50,600</b>	<b>240,470</b>	<b>17,520,484</b>	<b>17,811,554</b>

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

## Lotus Flower Holdings Limited

### Consolidated statement of cash flows

For the year ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(134,623)	(662,785)
<b>Adjustments for:</b>		
Amortisation of intangible assets	36,783	21,061
Depreciation of tangible assets	2,144,001	788,029
Interest paid and similar charges	265,692	397,053
Interest received	(226,484)	(413,516)
Taxation charge/(credit)	111,821	(8,337)
Decrease/(increase) in stocks	916,048	(568,334)
Decrease/(increase) in debtors	945,957	(1,708,018)
Decrease in amounts owed by related parties	320,371	499,955
(Decrease)/increase in creditors	(3,357,129)	1,762,711
(Decrease) in amounts owed to related parties	-	(102,512)
Increase in provisions	201,556	327,031
Revaluation of investment	(50,336)	(156,789)
Foreign exchange loss/(gain)	44,664	713,675
Share of operating loss/(profit) in associates	(1,110,242)	(603,320)
Corporation tax (paid)	(358,023)	(303,212)
<b>Net cash generated from operating activities</b>	<b>(249,944)</b>	<b>(17,308)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,479,137)	(949,923)
Sale of tangible fixed assets	50,187	27,214
Purchase of unlisted investments	-	(100,000)
Interest received	71,688	51,142
Dividends received from associates	1,428,574	-
<b>Net cash from investing activities</b>	<b>(928,688)</b>	<b>(971,567)</b>
<b>Cash flows from financing activities</b>		
Interest paid and similar charges	(110,895)	(34,679)
<b>Net cash used in financing activities</b>	<b>(110,895)</b>	<b>(34,679)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,289,527)</b>	<b>(1,023,554)</b>



**Consolidated statement of cash flows (continued)**

For the year ended 31 March 2022

	<b>2022</b>	As restated
	<b>£</b>	2021
		<b>£</b>
Cash and cash equivalents at beginning of year	<b>16,585,591</b>	17,609,145
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year</b>	<b>15,296,064</b>	16,585,591
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>15,296,064</b>	16,585,591
	<hr/>	<hr/>
	<b>15,296,064</b>	16,585,591
	<hr/>	<hr/>

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

## Lotus Flower Holdings Limited

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### Consolidated analysis of net debt

For the year ended 31 March 2022

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	16,585,591	(1,279,564)	15,306,027
Debt due within 1 year	475,143	-	475,143
	<u>17,060,734</u>	<u>(1,279,564)</u>	<u>15,781,170</u>

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

## Notes to the financial statements

For the year ended 31 March 2022

### 1. General information

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

These financial statements are presented in Pounds Sterling (GBP) rounded to the nearest whole number, being the functional currency of the Company. They comprise the financial statements of the Group for the period ended 31 March 2022.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

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

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

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

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

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12(b) not to present the Company statement of cash flows.

## Notes to the financial statements

For the year ended 31 March 2022

### 2. Accounting policies (continued)

#### 2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured, on the date that goods are made available to customers. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Sale of goods

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

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

#### 2.4 Operating leases: the Group as lessee

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

#### 2.5 Foreign currency translation

##### Functional and presentation currency

The Company and Group's functional currency and presentation currency is GBP.

##### Transactions and balances

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### 2.6 Interest income

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

#### 2.7 Finance costs

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

## Notes to the financial statements

For the year ended 31 March 2022

### 2. Accounting policies (continued)

#### 2.8 Pensions

##### Defined contribution pension plan

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

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

#### 2.9 Current and deferred taxation

The tax expense for the 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 reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

## Notes to the financial statements

For the year ended 31 March 2022

### 2. Accounting policies (continued)

#### 2.10 Intangible assets

##### Goodwill

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

##### Other intangible assets

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

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

#### 2.11 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

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

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

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

## Notes to the financial statements

For the year ended 31 March 2022

### 2. Accounting policies (continued)

#### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

#### 2.13 Associates and joint ventures

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

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

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

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

#### 2.14 Stocks

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

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

#### 2.15 Debtors

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

# Lotus Flower Holdings Limited

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## Notes to the financial statements

For the year ended 31 March 2022

### 2. Accounting policies (continued)

#### 2.16 Cash and cash equivalents

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

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

#### 2.17 Creditors

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

#### 2.18 Provisions for liabilities

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

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

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

#### 2.19 Financial instruments

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

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

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

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



## Notes to the financial statements

For the year ended 31 March 2022

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

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

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

#### **Dilapidation**

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

#### **Impairment of goodwill**

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

#### **Impairment of fixed assets**

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

## Lotus Flower Holdings Limited

### Notes to the financial statements

For the year ended 31 March 2022

#### 4. Turnover

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

	31 March 2022 £	6 months ended 31 March 2021 £
Turnover	162,395,496	88,411,818
	<u>162,395,496</u>	<u>88,411,818</u>

Analysis of turnover by country of destination:

	31 March 2022 £	6 months ended 31 March 2021 £
United Kingdom	157,904,128	85,765,451
Rest of Europe	2,610,828	1,488,051
Rest of the world	1,880,540	1,158,316
	<u>162,395,496</u>	<u>88,411,818</u>

#### 5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	31 March 2022 £	6 months ended 31 March 2021 £
Depreciation	2,144,002	788,029
Exchange differences	(530,520)	1,196,783
Operating lease rentals	1,810,583	885,608

## Notes to the financial statements

For the year ended 31 March 2022

### 6. Auditor's remuneration

	31 March 2022 £	6 months ended 31 March 2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>9,000</b>	8,000
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
The audit of the Group's subsidiaries pursuant to legislation	<b>28,500</b>	25,000
All other services	<b>9,500</b>	6,500
	<b>38,000</b>	31,500

### 7. Employees

Staff costs were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	<b>22,493,570</b>	10,016,087	-	-
Social security costs	<b>1,823,028</b>	770,079	-	-
Cost of defined contribution scheme	<b>466,573</b>	237,301	-	-
	<b>24,783,171</b>	11,023,467	-	-

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

	2022 Number	2021 Number
Operational	<b>1,820</b>	1,816
Administrative	<b>153</b>	169
	<b>1,973</b>	1,985

## Lotus Flower Holdings Limited

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### Notes to the financial statements

For the year ended 31 March 2022

#### 8. Directors' remuneration

During the year, directors' emoluments totalled £654,347 (6 months period ended 31 March 2021 - £417,679).

The highest paid Director received remuneration of £338,281 (2021 -£216,945).

During the year retirement benefits were accruing to no directors (2021 - nil) in respect of defined contribution pension schemes.

#### 9. Interest receivable

	31 March 2022 £	6 months ended 31 March 2021 £
Interest receivable and similar income	226,485	413,516
	<u>226,485</u>	<u>413,516</u>

#### 10. Interest payable and similar charges

	31 March 2022 £	6 months ended 31 March 2021 £
Bank interest payable	110,896	34,679
Provision against loan interest receivable	154,797	362,374
	<u>265,693</u>	<u>397,053</u>

## Notes to the financial statements

For the year ended 31 March 2022

### 11. Taxation

	31 March 2022 £	6 months ended 31 March 2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	(47,149)	(125,696)
	<u>(47,149)</u>	<u>(125,696)</u>
<b>Total current tax</b>	<u>(47,149)</u>	<u>(125,696)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	158,970	117,359
<b>Total deferred tax</b>	<u>158,970</u>	<u>117,359</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>111,821</u>	<u>(8,337)</u>

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2021 -lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	31 March 2022 £	6 months ended 31 March 2021 £
Loss on ordinary activities before tax	<u>(22,802)</u>	<u>(671,122)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	(4,332)	(127,513)
<b>Effects of:</b>		
Permanent differences: depreciation versus capital allowances	(38,032)	1,817
Short term and other timing difference leading to an increase/(decrease) in taxation	154,185	117,359
<b>Total tax (credit)/charge for the period</b>	<u>111,821</u>	<u>(8,337)</u>

## Lotus Flower Holdings Limited

### Notes to the financial statements

For the year ended 31 March 2022

#### 11. Taxation (continued)

##### Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill enacted an increase in the corporation tax rate from 1 April 2023, tapering from 19% from business with profits of less than £50,000 to 25% for business with profits over £250,000. On 23 September 2022, the government announced its intention to cancel this increase, keeping the rate at 19%.

Deferred tax in these financial statements has been measured at 25%, being the applicable rate that was substantively enacted at the reporting date.

#### 12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year/period was £1,474,633 (2021 -£627,150).

#### 13. Intangible assets

##### Group

	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 April 2021	11,353,237	(784,617)	10,568,620
At 31 March 2022	11,353,237	(784,617)	10,568,620
<b>Amortisation</b>			
At 1 April 2021	10,669,050	(408,648)	10,260,402
Charge for the period	173,500	(136,716)	36,784
At 31 March 2022	10,842,550	(545,364)	10,297,186
<b>Net book value</b>			
At 31 March 2022	510,687	(239,253)	271,434
At 31 March 2021	684,187	(375,969)	308,218

### Notes to the financial statements

For the year ended 31 March 2022

#### 13. Intangible assets (continued)

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

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

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

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

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

## Lotus Flower Holdings Limited

### Notes to the financial statements

For the year ended 31 March 2022

#### 14. Tangible fixed assets

##### Group

	Freehold property £	Long-term leasehold property improvements £	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
<b>Cost or valuation</b>						
At 1 April 2021	6,126,465	812,286	14,016,649	3,533,926	7,327,892	31,817,218
Additions	366,750	-	1,361,470	750,917	-	2,479,137
Disposals	-	-	-	(322,434)	-	(322,434)
Transfers between classes	-	7,327,892	-	-	(7,327,892)	-
Exchange adjustments	(5,341)	-	(21,030)	(710)	-	(27,081)
At 31 March 2022	6,487,874	8,140,178	15,357,089	3,961,699	-	33,946,840
<b>Depreciation</b>						
At 1 April 2021	380,000	812,286	8,483,367	2,768,811	-	12,444,464
Charge for the year	887,920	-	966,658	289,424	-	2,144,002
Disposals	-	-	-	(272,247)	-	(272,247)
Exchange adjustments	-	-	(8,908)	(549)	-	(9,457)
At 31 March 2022	1,267,920	812,286	9,441,117	2,785,439	-	14,306,762
<b>Net book value</b>						
At 31 March 2022	5,219,954	7,327,892	5,915,972	1,176,260	-	19,640,078
At 31 March 2021	5,746,465	-	5,533,282	765,115	7,327,892	19,372,754

Included within freehold property, is a property leased to a group company with a NBV of £4,940,000. This property was revalued at 1 April 2017, based on the valuation undertaken by an independent valuer who holds a recognised and relevant professional qualification, namely London Clancy, FRICS. On transition to Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (March 2018), as at 1 April 2019, the Directors have elected to recognise the property at historical cost less accumulated depreciation. The historical cost is the deemed cost on transfer from investment property to tangible fixed assets.



## **Notes to the financial statements**

For the year ended 31 March 2022

### **15. Fixed asset investments**

#### **Group**

	Investments in associates £	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	4,688,751	1,418,376	618,221	6,725,348
Revaluations	-	50,335	-	50,335
Share of profit/(loss)	(318,332)	-	-	(318,332)
At 31 March 2022	<u>4,370,419</u>	<u>1,468,711</u>	<u>618,221</u>	<u>6,457,351</u>

#### **Company**

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	4,081,365	3,228,531	618,221	7,928,117
At 31 March 2022	<u>4,081,365</u>	<u>3,228,531</u>	<u>618,221</u>	<u>7,928,117</u>

## Lotus Flower Holdings Limited

### Notes to the financial statements

For the year ended 31 March 2022

#### 15. Fixed asset investments (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Wealmoor Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Wealmoor Atherstone Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Radville Trading Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Crave Simply Limited	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Radville Farms Limited*	Nemakunku, PO Box 2276, Serrekunda, The Gambia	Ordinary	95%
Herbfresh LLP*	Jetha House, Greenford Park, UB6 0TP	Ordinary	100%
Tropical Growers Export s.l.	C. Catania 48 - Aguadulce, C6, Roquetas de Mar, 04720 - Almeria	Ordinary	100%
Wealmoor Ireland Limited*	104 Lower Baggot Street, Dublin 2	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Wealmoor Limited	33,669,493	1,320,836
Wealmoor Atherstone Limited	699,792	85,049
Radville Trading Limited	(23,734)	(28,387)
Crave Simply Limited	(131,256)	(20,025)
Radville Farms Limited*	(10,218,224)	(1,463,720)
Herbfresh LLP*	(2,998,369)	(791,739)
Tropical Growers Export s.l.	(239,154)	(8,309)
Wealmoor Ireland Limited*	75,148	75,912

\* Held indirectly by a subsidiary entity.

## Notes to the financial statements

For the year ended 31 March 2022

### 15. Fixed asset investments (continued)

#### Associate

The following was an associate of the Company:

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

#### Joint ventures

The following were joint ventures of the Company:

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

### 16. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	3,598,691	4,514,738
	<u>3,598,691</u>	<u>4,514,738</u>

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

## Lotus Flower Holdings Limited

### Notes to the financial statements

For the year ended 31 March 2022

#### 17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	16,896,107	18,261,716	14,154	14,154
Amounts owed by group undertakings	-	-	6,192,358	6,209,149
Amounts owed by joint ventures and associated undertakings	1,588,801	3,284,301	1,588,801	3,208,301
Other debtors	1,261,353	1,050,747	300,000	-
Prepayments and accrued income	1,793,793	1,586,520	-	-
Tax recoverable	-	-	3,626	272
Deferred taxation	7,564	7,564	-	-
	<b>21,547,618</b>	<b>24,190,848</b>	<b>8,098,939</b>	<b>9,431,876</b>

#### 18. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	15,296,064	16,585,591	14,105,012	15,028,829
	<b>15,296,064</b>	<b>16,585,591</b>	<b>14,105,012</b>	<b>15,028,829</b>

#### 19. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	6,951,121	7,273,509	31,317	-
Amounts owed to group undertakings	-	-	11,081,167	14,841,015
Amounts owed to related parties	475,143	475,143	-	-
Corporation tax	575,055	874,010	684,127	685,897
Other taxation and social security	506,653	494,623	-	-
Other creditors	1,450,518	3,688,140	523,903	524,989
Accruals and deferred income	13,293,384	15,585,653	-	-
	<b>23,251,874</b>	<b>28,391,078</b>	<b>12,320,514</b>	<b>16,051,901</b>

## Notes to the financial statements

For the year ended 31 March 2022

### 20. Deferred taxation

#### Group

	2022 £	2021 £
At beginning of year	(336,140)	(218,781)
Charged to profit or loss	(158,970)	(117,359)
<b>At end of year</b>	<b>(495,110)</b>	<b>(336,140)</b>
	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Accelerated capital allowances	(495,110)	(336,140)
	<b>(495,110)</b>	<b>(336,140)</b>
<b>Comprising:</b>		
Asset - due within one year	7,564	7,564
Liability	(502,674)	(343,704)

### 21. Provisions

#### Group

	Dilapidations provision £	Provision for losses of joint ventures £	Total £
At 1 April 2021	2,423,940	919,411	3,343,351
Charged to profit or loss	83,177	118,379	201,556
<b>At 31 March 2022</b>	<b>2,507,117</b>	<b>1,037,790</b>	<b>3,544,907</b>

### 22. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
506,000 (2021 -506,000) Ordinary shares of £0.10 each	50,600	50,600

## Lotus Flower Holdings Limited

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### Notes to the financial statements

For the year ended 31 March 2022

#### 23. Contingent liabilities

Contingent liabilities existed in respect of guarantees given by Group amounting to £115,000 at 31 March 2022 (2021 - £115,000) arising in the normal course of business.

Cargo claims are made by Wealmoor Limited relating to stock which is unusable upon arrival at the warehouse, and it is possible for counter claims to be made. A provision for a counter claim is recognised when it is probable that the company will have to settle a claim and the amount of the claim can be measured reliably. No provision has been recognised at 31 March 2022 because there are no reliably measured counter claims meeting this criteria at this date.

#### 24. Pension commitments

The pension cost charge represent contributions payable by the group to the fund and amounted to £466,572 (2021 - £304,134). Contributions totalling £108,951 (2021 - £133,210) were payable to the fund at the reporting date and are included in creditors.

#### 25. Commitments under operating leases

At 31 March 2022, the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
<b>Land and buildings</b>		
Not later than 1 year	1,320,645	433,912
Later than 1 year and not later than 5 years	5,282,580	628,980
Later than 5 years	15,360,778	4,284,926
	<u>21,964,003</u>	<u>5,347,818</u>

	Group 2022 £	Group 2021 £
<b>Plant and machinery</b>		
Not later than 1 year	282,240	398,417
Later than 1 year and not later than 5 years	707,565	520,639
Later than 5 years	-	79,002
	<u>989,805</u>	<u>998,058</u>

## Notes to the financial statements

For the year ended 31 March 2022

### 26. Related party transactions

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

During the year, Wealmoor Limited made sales of £684,175 (2021: £1,072,773) to Radville Farms Limited and purchases of £917,220 (2021: £504,186) from Radville Farms Limited, a company which is 5% controlled by another party. At 31 March 2022, £3,646,700 was due to Wealmoor Limited from Radville Farms Limited (2021: £1,991,066).

At the period ended 31 March 2022, Lotus Flower Holdings Limited was owed £412,933 (2021: £412,993) from Aquanite Investments Limited. Mrs L Malde is a director of Aquanite Investments Limited.

As at 31 March 2022, Wealmoor Limited owed £475,143 (2021: £475,143) to LFMR LLP as a result of purchases made for Enil (2021: Enil).

As at 31 March 2022, LFWMK LLP owed Wealmoor Limited Enil (2021: £76,000).

As at 31 March 2022, Lotus Flower Holdings Limited was owed £1,556,692 from LFWMK LLP (2021: £1,748,648) and £1,338,729 from LFMR LLP (2021: £1,254,315).

#### *Key management personnel compensation*

Certain persons who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. During the year, total compensation for key management personnel totalled £654,347 (2021: £417,679).

### 27. Controlling party

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