

Registration number: 00166849

KEY INGREDIENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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KEY INGREDIENTS LIMITED

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KEY INGREDIENTS LIMITED

COMPANY INFORMATION

Director	Monsieur J Leveque
Registered office	Unit 2 Fairview Court 119-127 Fairview Road Cheltenham GL52 2EX
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

KEY INGREDIENTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his report and the financial statements for the year ended 31 December 2020.

Director of the company

The director who held office during the year was as follows:

Monsieur J Leveque

Principal activity

The principal activity of the company is the importation of food ingredients for sales to the food manufacturing and processing industry.

Disclosure of information to the auditors

The director has taken the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

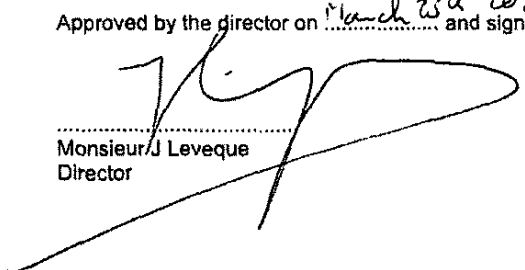
Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Small companies provision statement

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

Approved by the director on March 2021 and signed on its behalf by:


.....
Monsieur J Leveque
Director

KEY INGREDIENTS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

KEY INGREDIENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY INGREDIENTS LIMITED

Opinion

We have audited the financial statements of Key Ingredients Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 FRS 102 Section 1A '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 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

KEY INGREDIENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY INGREDIENTS LIMITED

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and taxation laws;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgments made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

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

KEY INGREDIENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY INGREDIENTS LIMITED

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.



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Scott Lawrence FCA (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 26 March 2021.....

KEY INGREDIENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		5,907,279	4,519,478
Cost of sales		<u>(5,502,539)</u>	<u>(4,255,133)</u>
Gross profit		404,740	264,345
Administrative expenses		(199,693)	(205,437)
Other operating income		<u>23,065</u>	<u>22,430</u>
Operating profit		228,112	81,338
Other interest receivable and similar income		<u>-</u>	<u>112</u>
Profit before tax	4	228,112	81,450
Taxation	5	<u>(40,188)</u>	<u>(15,628)</u>
Profit for the financial year		<u>187,924</u>	<u>65,822</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 10 to 14 form an integral part of these financial statements.

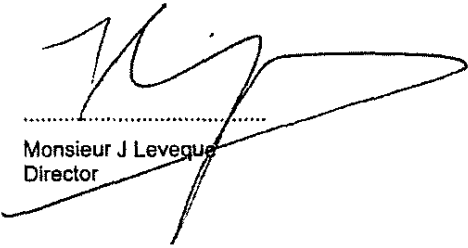
KEY INGREDIENTS LIMITED

(REGISTRATION NUMBER: 00166849)
BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Current assets			
Stocks		155,182	240,050
Debtors	6	1,234,502	871,284
Cash at bank and in hand		<u>370,214</u>	<u>834,532</u>
		1,759,898	1,945,866
Creditors: Amounts falling due within one year	7	<u>(1,144,229)</u>	<u>(1,424,159)</u>
Net assets		<u>615,669</u>	<u>521,707</u>
Capital and reserves			
Called up share capital		37,500	37,500
Profit and loss account		<u>578,169</u>	<u>484,207</u>
Total equity		<u>615,669</u>	<u>521,707</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with FRS102 Section 1A Small Entities.

Approved and authorised by the director on March 25th 2021



.....
Monsieur J Leveque
Director

The notes on pages 10 to 14 form an integral part of these financial statements.

KEY INGREDIENTS LIMITED

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

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	37,500	451,295	488,795
Profit for the year	-	65,822	65,822
Dividends	-	(32,910)	(32,910)
At 31 December 2019	<u>37,500</u>	<u>484,207</u>	<u>521,707</u>

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	37,500	484,207	521,707
Profit for the year	-	187,924	187,924
Dividends	-	(93,962)	(93,962)
At 31 December 2020	<u>37,500</u>	<u>578,169</u>	<u>615,669</u>

The notes on pages 10 to 14 form an integral part of these financial statements.

KEY INGREDIENTS LIMITED

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

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

These financial statements are presented in Pound Sterling.

The address of its registered office is:

Unit 2 Fairview Court
119-127 Fairview Road
Cheltenham
GL52 2EX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of Sodeleg SA.

The financial statements of Sodeleg SA may be obtained from the company's registered office.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Judgements

No significant judgements have been made by management in preparing these financial statements.

KEY INGREDIENTS LIMITED

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

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

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 operates and generates taxable income.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

KEY INGREDIENTS LIMITED

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

KEY INGREDIENTS LIMITED

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 2 (2019 - 2).

4 Profit before tax

Arrived at after charging:

	2020 £	2019 £
Auditor's remuneration	6,150	5,975
Rent receivable	<u>(23,065)</u>	<u>(22,430)</u>

5 Taxation

Tax charged in the profit and loss account

	2020 £	2019 £
Current taxation		
UK corporation tax	<u>40,188</u>	<u>15,628</u>

6 Debtors

	2020 £	2019 £
Trade debtors	1,209,636	860,750
Other debtors	<u>24,866</u>	<u>10,534</u>
	<u>1,234,502</u>	<u>871,284</u>

7 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		97,793	170,624
Amounts due to related parties	11	847,239	1,099,736
Corporation tax		40,194	15,634
Social security and other taxes		4,392	4,381
Other creditors		<u>154,611</u>	<u>133,784</u>
		<u>1,144,229</u>	<u>1,424,159</u>

KEY INGREDIENTS LIMITED

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

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A shares of £1 each	12,500	12,500	12,500	12,500
Ordinary B shares of £1 each	12,500	12,500	12,500	12,500
Ordinary C shares of £1 each	12,500	12,500	12,500	12,500
	<u>37,500</u>	<u>37,500</u>	<u>37,500</u>	<u>37,500</u>

9 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the company to the scheme and amounted to £6,468 (2019 - £5,746).

Contributions totalling £nil (2019 - £nil) were payable to the schemes at the year end and are included in creditors.

10 Commitments

Operating lease commitments

As at 31 December 2020 the company had annual commitments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than one year	24,000	24,000
Later than one year and not later than five years	<u>14,000</u>	<u>38,000</u>
	<u>38,000</u>	<u>62,000</u>

The lease payments recognised as an expense in the year was £24,000 (2019 - £24,000).

11 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Sodeleg SA

(owns 100% of the company's share capital)

During the year Key Ingredients Limited made purchases of £5,042,031 (2019 - £3,533,242) from Sodeleg SA. In addition the company owes Sodeleg SA £30,000 (2019 - £30,000) by way of an interest free loan. At the balance sheet date the amount due to Sodeleg was £847,239 (2019 - £1,099,736).

12 Parent and ultimate parent undertaking

The company is controlled by Sodeleg SA which owns 100% of the share capital of Key Ingredients Limited. The ultimate controlling party is Groupe Alliance SA.