

D.R. WAKEFIELD & COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022



D.R. WAKEFIELD & COMPANY LIMITED

COMPANY INFORMATION

Directors	D R Wakefield S D Wakefield K S Wakefield N R Thompson
Company secretary	S C Wakefield J C Wakefield
Registered number	00971152
Registered office	Thompson House 42-44 Dolben Street London SE1 0UQ
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 45 Gresham Street London EC2V 7BG

D.R. WAKEFIELD & COMPANY LIMITED

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D.R. WAKEFIELD & COMPANY LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2022

Introduction

The directors present their Strategic Report for D.R. Wakefield & Company Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 January 2022.

Principal activities

The principal activity of the Group in the year under review was that of a coffee merchant.

Business review

The directors are pleased to report a satisfactory year of trading resulting from a year characterised by a strong recovery from the COVID-19 pandemic. Revenues and profits up on expectations for the year and considerably up on the previous ('pandemic') year.

The start of the year was affected by the continuation of the third UK lockdown. Once the recovery of the global economy had gained momentum, considerable post-pandemic factors presented challenges to the business. Shortage of resources and coffee at origin, the lack of containers to enable shipment of product and the growing threat of inflation had to be overcome. Such factors have driven up costs and has led to a general and sustained increase in the global coffee price.

Despite these factors, the demand for coffee has continued to be strong and volumes traded and invoiced in the year have reached levels that exceed pre-pandemic levels. Our European business, with its office and the wider warehouse network continues to grow. Our logistics solutions now allow an increasing amount of direct import of coffee into the EU for new and existing EU customers.

Principal risks and uncertainties

The Group's results are sensitive to the world coffee price and price differentials, which are dependent on economic factors that affect world supply and demand for coffee as well as the general economic and political climate in the countries in which the company trades.

The Group's exposure to changes in coffee prices is mitigated through the use of derivative financial instruments in the coffee futures market which are used to hedge the Group's exposure. The sufficiency of our hedging strategy is continually monitored.

The Group's financial statements are reported in pounds sterling and those results may be significantly affected by fluctuations in exchange rates. A substantial proportion of the Company's customer business is conducted in US dollars. The Company buys US dollars forward to mitigate the currency risk associated with importing coffee from origin.

The Group is also exposed to liquidity risk including the risk that borrowing facilities are not available to meet cash requirements and the risk that financial assets cannot be readily converted to cash without loss of value. Failure to manage liquidity risk could have a material impact upon the Group's cash flow, balance sheet and financial performance. The Group manages liquidity risk by ensuring that adequate committed bank facilities are maintained, supported by the provision of suitable cash flow forecasting and regular management information to the bank.

The Group is exposed to credit risk arising on sales, being the loss that would be recognised if customers fail or are unable to meet their payment obligations. The Group manages its risk by analysing the financial position of customers prior to trading with them and by adopting rigorous credit control management. This function is underpinned with the use of credit insurance cover.

D.R. WAKEFIELD & COMPANY LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

Since the balance sheet date, trading has been dominated by the impact of an unprecedented and sustained period of high coffee prices. Despite this, demand for our coffee has been strong with traded volumes reaching levels in excess of the year ended 31 January 2022. The Group has also been developing its operational agenda. The Group continues to work closely with producers, customers, logistics partners, certification bodies and our banks, many of whom we have worked with for many years, to ensure that business risks are closely managed to facilitate growth and recovery.

Financial key performance indicators

The key performance indicators used to manage the business are volumes of coffee sold, gross profit margins achieved, and operating profit achieved as a proportion of revenue. Other performance indicators include the sufficiency of the company's bank facility headroom and the adequacy of coffee price hedging commitments and forward foreign currency requirements.

Going concern

In light of COVID-19, the directors have remained focused on cash management and have worked closely with HSBC to utilise finance facilities as necessary during this period.

The calendar year 2022 has been dominated by an unprecedented period of sustained high global coffee prices as well as continued organic growth of the business. Such drivers increase the Company's and Group's working capital requirements and as a result, subsequent to the year end, the Company's and Group's finance facilities have been extended by HSBC.

Looking forward the directors have prepared cash flow forecasts which consider alternative scenarios and assumptions to analyse the Company's and Group's headroom under the current bank facilities to ensure bank facilities are adequate and loan covenants are complied with.

The directors believe the Company and the Group have adequate resources based on these forecasts and projections to meet the ongoing cash requirements of the business for a minimum of 12 months from the date of signing the financial statements. For this reason, the financial statements have been prepared on a going concern basis which assumes the realisation of assets and liabilities in the normal course of business.

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

simon wakefield
simon wakefield (Dec 20, 2022 18:03 GMT)

S D Wakefield
Director

Date: 20/12/2022

D.R. WAKEFIELD & COMPANY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2022

The directors present their report and the financial statements for the year ended 31 January 2022.

Results and dividends

The profit for the year, after taxation, amounted to £2,499,221 (2021 -£1,364,824). The results are stated after the inclusion of unrealised gains arising on the fair valuation of futures instruments of £412,779 (2021 - £311,507) as required by Financial Reporting Standard 102. These futures commitments are entered into as part of our overall commitment to acquire and price protect the cost of coffee for delivery in the following accounting period.

During the year, dividends of £1,193,000 (2021 - £856,101) were paid or declared.

Directors

The directors who served during the year were:

D R Wakefield
S D Wakefield
K S Wakefield
N R Thompson

Future developments

The directors intend to continue to develop the business despite the uncertain global economic conditions with the aim to generate an acceptable profit return in existing and new markets based upon our key philosophies of the Group's commitment to the Fairtrade, Organic and Rainforest Alliance principles and developing long-term, fair relationships with our coffee producers.

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 information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Post balance sheet events

Post balance sheet events impacting the Company and the Group are set out in note 30 to the financial statements.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

D.R. WAKEFIELD & COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

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

simon wakefield
simon wakefield (Dec 20, 2022 18:03 GMT)

S D Wakefield
Director

Date: 20/12/2022

D.R. WAKEFIELD & COMPANY LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2022**

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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF D.R. WAKEFIELD & COMPANY LIMITED

Opinion

We have audited the financial statements of D.R. Wakefield & Company Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and 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.

D.R. WAKEFIELD & COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF D.R. WAKEFIELD & COMPANY LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept 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 5, 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.

D.R. WAKEFIELD & COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF D.R. WAKEFIELD & COMPANY LIMITED
(CONTINUED)

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:

We obtained an understanding of the Group's and Parent Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations, in addition to understanding of the entity's policies and procedures in relation to compliance. We also drew on our existing understanding of the Group's and Parent Company's industry and regulation.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's and Parent Company's ability to conduct business and where failure to comply could result in material penalties. We have identified those of significance as being the Companies Act 2006 and FRS 102, in respect of the preparation and presentation of the financial statements and UK taxation law.

We understand that the Group and Parent Company comply with their legal framework through:

- Outsourcing of payroll, accounts preparation and tax compliance to external experts; and
- The directors' close involvement in the day-to-day running of the business, meaning that any non-compliance, litigation or claims would come to their attention directly.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group's and Parent Company's financial statements to material misstatement, including how fraud might occur. We discussed further with those charged with governance and management to understand the key areas where they consider the manipulation of the financial statements could occur, determining which account balances are subjective in nature and considering the processes and controls which the Group and Parent Company have established, to prevent and detect fraud and how these controls are monitored. The areas identified in these discussions were manipulation through the recording of manual journal entries and revenue recognition.

The specific procedures carried out to gain evidence in the above areas included:

- Substantive testing for revenue transactions to underlying documentation; and
- Testing of manual journal entries, selected based on specific risk assessments applied for significant components based on the Group's and Parent Company's processes.

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.

D.R. WAKEFIELD & COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF D.R. WAKEFIELD & COMPANY LIMITED
(CONTINUED)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sancho Simmonds

Sancho Simmonds (Dec 21, 2022 14:48 GMT)

Sancho Simmonds (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants

Statutory Auditor

45 Gresham Street

London

EC2V 7BG

Date: 21/12/2022

D.R. WAKEFIELD & COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2022

	Note	2022 £	2021 £
Turnover	4	53,218,693	35,230,149
Cost of sales		(47,167,185)	(31,289,955)
Gross profit		6,051,508	3,940,194
Administrative expenses		(3,409,313)	(2,589,164)
Other operating income	5	55,801	107,055
Trading profit*	6	2,697,996	1,458,085
Gain on fair value of financial instruments		412,779	311,507
Interest receivable and similar income	11	244,342	49,290
Interest payable and similar expenses	12	(272,404)	(318,296)
Profit before tax		3,082,713	1,500,586
Tax on profit	13	(583,492)	(135,762)
Profit for the financial year		2,499,221	1,364,824

There was no other comprehensive income for 2022 (2021 - £Nil).

*Trading profit shows the performance of the Company before unrealised gains or losses arising on the fair value of Financial instruments and interest.

The notes on pages 19 to 39 form part of these financial statements.

D.R. WAKEFIELD & COMPANY LIMITED
REGISTERED NUMBER:00971152

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	296,521	320,333
Tangible assets	16	83,932	110,448
		<u>380,453</u>	<u>430,781</u>
Current assets			
Stocks	18	19,074,552	11,760,605
Debtors: amounts falling due within one year	19	9,416,186	4,481,396
Cash at bank and in hand	20	7,149,456	1,798,609
		<u>35,640,194</u>	<u>18,040,610</u>
Creditors: amounts falling due within one year	21	(27,522,462)	(11,400,316)
Net current assets		<u>8,117,732</u>	<u>6,640,294</u>
Total assets less current liabilities		<u>8,498,185</u>	<u>7,071,075</u>
Provisions for liabilities			
Deferred tax	23	(224,909)	(104,020)
Net assets		<u><u>8,273,276</u></u>	<u><u>6,967,055</u></u>
Capital and reserves			
Called up share capital	24	100,000	100,000
Profit and loss account	25	8,173,276	6,867,055
Total equity		<u><u>8,273,276</u></u>	<u><u>6,967,055</u></u>

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

simon wakefield
simon wakefield (Dec 20, 2022 18:03 GMT)

S D Wakefield
Director

Date: 20/12/2022

The notes on pages 19 to 39 form part of these financial statements.

D.R. WAKEFIELD & COMPANY LIMITED
REGISTERED NUMBER:00971152

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	296,521	320,333
Tangible assets	16	80,423	104,897
Investments	17	87	87
		<u>377,031</u>	<u>425,317</u>
Current assets			
Stocks	18	12,000,393	9,560,482
Debtors: amounts falling due within one year	19	9,713,837	4,943,159
Cash at bank and in hand	20	6,938,422	1,755,734
		<u>28,652,652</u>	<u>16,259,375</u>
Creditors: amounts falling due within one year	21	(21,789,236)	(9,930,010)
Net current assets		<u>6,863,416</u>	<u>6,329,365</u>
Total assets less current liabilities		<u>7,240,447</u>	<u>6,754,682</u>
Provisions for liabilities			
Deferred taxation	23	(56,054)	(101,695)
Net assets		<u><u>7,184,393</u></u>	<u><u>6,652,987</u></u>
Capital and reserves			
Called up share capital	24	100,000	100,000
Profit and loss account brought forward		6,552,987	6,230,843
Profit for the year		1,724,406	1,178,245
Dividends paid		(1,193,000)	(856,101)
		<u>7,084,393</u>	<u>6,552,987</u>
Profit and loss account carried forward	25		
Total equity		<u><u>7,184,393</u></u>	<u><u>6,652,987</u></u>

D.R. WAKEFIELD & COMPANY LIMITED
REGISTERED NUMBER:00971152

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2022

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

simon wakefield

simon wakefield (Dec 20, 2022 18:03 GMT)

S D Wakefield
Director

Date: 20/12/2022

The notes on pages 19 to 39 form part of these financial statements.

D.R. WAKEFIELD & COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2020	100,000	6,358,332	6,458,332
Comprehensive income for the year			
Profit for the year	-	1,364,824	1,364,824
Contributions by and distributions to owners			
Dividends: equity capital	-	(856,101)	(856,101)
At 1 February 2021	100,000	6,867,055	6,967,055
Comprehensive income for the year			
Profit for the year	-	2,499,221	2,499,221
Contributions by and distributions to owners			
Dividends: equity capital	-	(1,193,000)	(1,193,000)
At 31 January 2022	100,000	8,173,276	8,273,276

D.R. WAKEFIELD & COMPANY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2020	100,000	6,230,843	6,330,843
Comprehensive income for the year			
Profit for the year	-	1,178,245	1,178,245
Contributions by and distributions to owners			
Dividends: equity capital	-	(856,101)	(856,101)
At 1 February 2021	100,000	6,552,987	6,652,987
Comprehensive income for the year			
Profit for the year	-	1,724,406	1,724,406
Contributions by and distributions to owners			
Dividends: equity capital	-	(1,193,000)	(1,193,000)
At 31 January 2022	100,000	7,084,393	7,184,393

D.R. WAKEFIELD & COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	2,499,221	1,364,824
Adjustments for:		
Amortisation of intangible assets	29,667	-
Depreciation of tangible assets	47,095	52,988
Impairments of fixed assets	-	(61,030)
Interest paid	445,186	318,296
Interest received	(417,099)	(49,290)
Taxation charge	583,492	135,762
Increase in stocks	(7,313,947)	(4,181,715)
(Increase)/decrease in debtors	(4,434,170)	2,265,918
Increase in creditors	5,909,074	953,317
Corporation tax paid	(283,430)	(49,099)
Net fair value gains recognised in profit and loss	(412,780)	(311,507)
Net cash (used in)/generated from operating activities	(3,347,691)	438,464
Cash flows from investing activities		
Purchase of intangible fixed assets	(6,098)	(31,854)
Purchase of tangible fixed assets	(20,336)	(17,922)
Government grants received	-	61,030
Interest received	48,561	49,290
Net cash generated from investing activities	22,127	60,544

D.R. WAKEFIELD & COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022

	2022 £	2021 £
Cash flows from financing activities		
New/(repayment of) loans	70,479	(23,107)
Dividends paid	(1,193,000)	(856,101)
Interest paid	(445,186)	(205,055)
Net cash used in financing activities	(1,567,707)	(1,084,263)
Net decrease in cash and cash equivalents	(4,893,271)	(585,255)
Cash and cash equivalents at beginning of year	(535,923)	160,817
Foreign exchange gains and losses	368,538	(111,485)
Cash and cash equivalents at the end of year	(5,060,656)	(535,923)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,149,456	1,798,609
Bank overdrafts	(12,210,112)	(2,334,532)
	(5,060,656)	(535,923)

D.R. WAKEFIELD & COMPANY LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 JANUARY 2022

	At 1 February 2021 £	Cash flows £	At 31 January 2022 £
Cash at bank and in hand	1,798,609	5,350,847	7,149,456
Bank overdrafts	(2,334,532)	(9,875,580)	(12,210,112)
Debt due within 1 year	(5,060,030)	188,587	(4,871,443)
	<u>(5,595,953)</u>	<u>(4,336,146)</u>	<u>(9,932,099)</u>

D.R. WAKEFIELD & COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1. General information

D.R. Wakefield & Company Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 00971152). The registered office address is Thompson House, 42-44 Dolben Street, London, SE1 0UQ.

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 the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires 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 Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.3 Going concern

In light of COVID-19, the directors have remained focused on cash management and have worked closely with HSBC to utilise finance facilities as necessary during this period.

The calendar year 2022 has been dominated by an unprecedented period of sustained high global coffee prices as well as continued organic growth of the business. Such drivers increase the Company's and Group's working capital requirements and as a result, subsequent to the year end, the Company's and Group's finance facilities have been extended by HSBC.

Looking forward the directors have prepared cash flow forecasts which consider alternative scenarios and assumptions to analyse the Company's and Group's headroom under the current bank facilities to ensure bank facilities are adequate and loan covenants are complied with.

The directors believe the Company and the Group have adequate resources based on these forecasts and projections to meet the ongoing cash requirements of the business for a minimum of 12 months from the date of signing the financial statements. For this reason, the financial statements have been prepared on a going concern basis which assumes the realisation of assets and liabilities in the normal course of business.

2.4 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'Interest receivable or payable'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'Administrative expenses'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.5 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. 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.

2.6 Operating leases

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

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.8 Interest income

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

2.9 Interest payable

Interest payable is 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.10 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 which begins when the asset is brought into use. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software licences	-	5 years
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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.

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

Depreciation is provided on the following basis:

Short-term leasehold property	-	over the life of the lease
Fixtures and fittings	-	25%

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

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

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.14 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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in profit or loss.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.17 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

2.18 Current and deferred taxation

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- 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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

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

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

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.

In the course of preparing the Group's financial statements, the judgements that may have the most significant effect on the amounts recognised in the financial statements are those involving estimations, as explained below.

Estimates

Bad debt provision

At 31 January 2022, net trade debtors amounted to £7,367,148 (2021 - £4,131,063). A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

Stock provision

At 31 January 2022, net total stock amounted to £19,074,552 (2021 - £11,760,605). Slow moving and damaged stock is monitored during the year. A line by line review of stock provisions is carried out at the year-end, and stock which is sold at the lower of cost and net realisable value is identified and put forward for provision. Whilst every attempt is made to ensure that the stock provisions are as accurate as possible, there remains a risk that the provisions do not match the ultimate unrealised value of stock held.

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	25,934,208	20,193,252
Rest of Europe	19,248,501	9,364,194
Rest of the world	8,035,984	5,672,703
	<u>53,218,693</u>	<u>35,230,149</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

5. Other operating income

	2022 £	2021 £
Coronavirus job retention scheme income	-	61,030
Insurance claims income	29,982	26,059
Other operating income	25,819	19,966
	<u>55,801</u>	<u>107,055</u>

6. Trading profit

The trading profit is stated after (crediting)/charging:

	2022 £	2021 £
Foreign exchange (gain)/loss	195,909	36,436
Operating lease rentals	120,051	120,260
Bad debt provision expense	39,068	18,340
Stock provision expense/(release)	47,000	(45,000)
	<u>412,028</u>	<u>238,036</u>

7. Gain/(loss) on fair value of financial instruments

	2022 £	2021 £
(Loss)/gain on forward currency contracts	(119,275)	163,576
Gain on futures contracts	532,054	147,929
	<u>412,779</u>	<u>311,505</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

8. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>47,790</u>	<u>44,100</u>
Fees payable to the Group's auditor and its associates in respect of:		
Preparation of the financial statements	5,000	5,000
Taxation compliance services	10,165	10,648
Taxation advisory services	6,000	19,960
	<u>21,165</u>	<u>35,608</u>

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	1,896,445	1,438,519	1,792,922	1,344,060
Social security costs	207,375	155,967	207,459	152,695
Cost of defined contribution scheme	82,847	70,431	82,847	70,431
	<u>2,186,667</u>	<u>1,664,917</u>	<u>2,083,228</u>	<u>1,567,186</u>

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

Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
<u>27</u>	<u>23</u>	<u>26</u>	<u>22</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	254,287	247,762
Group contributions to defined contribution pension schemes	19,746	18,680
	<u>274,033</u>	<u>266,442</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £245,500 (2021 - £239,130).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,750 (2021 - £8,684).

11. Interest receivable and similar income

	2022 £	2021 £
Foreign exchange gain on currency deposits and loans	195,781	-
Other interest receivable	48,561	49,290
	<u>244,342</u>	<u>49,290</u>

12. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	159,374	112,585
Foreign exchange loss on foreign currency deposits and loans	-	111,485
Invoicing financing charges	113,030	94,226
	<u>272,404</u>	<u>318,296</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

13. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	479,241	228,653
Adjustments in respect of previous periods	(16,638)	(182,696)
Overseas taxation relief	-	(13,000)
Foreign tax		
Foreign tax on income for the year	-	13,000
Total current tax	<u>462,603</u>	<u>45,957</u>
Deferred tax		
Origination and reversal of timing differences	152,411	62,465
Adjustments in respect of previous periods	(31,522)	27,340
Total deferred tax	<u>120,889</u>	<u>89,805</u>
Taxation on profit	<u>583,492</u>	<u>135,762</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

13. Taxation (continued)

Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit before tax	3,082,713	1,500,586
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	585,715	285,111
Effects of:		
Expenses not deductible for tax purposes	560	402
Capital allowances for year in excess of depreciation	(989)	691
Adjustments to tax charge in respect of prior periods	(16,796)	(33)
Adjustments to tax charge in respect of prior periods - deferred tax	-	27,340
Short-term timing difference leading to an increase in taxation	-	4,980
Remeasurement of deferred tax for change in tax rate	54,189	-
Foreign PE exemption	(38,309)	-
Movement in deferred tax not recognised	(878)	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	-	(182,729)
Total tax charge for the year	583,492	135,762

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

14. Dividends

	2022 £	2021 £
Dividends paid on equity capital	1,193,000	856,101

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

15. Intangible assets

Group and Company

	Software licences £
Cost	
At 1 February 2021	320,333
Additions	6,098
Transfer from tangible fixed assets	30,774
At 31 January 2022	<u>357,205</u>
Amortisation	
Charge for the year	29,667
Transfer from tangible fixed assets	31,017
At 31 January 2022	<u>60,684</u>
Net book value	
At 31 January 2022	<u>296,521</u>
At 31 January 2021	<u>320,333</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

16. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 February 2021	129,399	252,938	382,337
Additions	-	20,336	20,336
Disposals	-	(44,908)	(44,908)
Transfer to intangible fixed assets	-	(30,774)	(30,774)
At 31 January 2022	129,399	197,592	326,991
Depreciation			
At 1 February 2021	74,540	197,349	271,889
Charge for the year	18,925	28,170	47,095
Disposals	-	(44,908)	(44,908)
Transfer to intangible fixed assets	-	(31,017)	(31,017)
At 31 January 2022	93,465	149,594	243,059
Net book value			
At 31 January 2022	35,934	47,998	83,932
At 31 January 2021	54,859	55,589	110,448

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

16. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 February 2021	129,399	244,770	374,169
Additions	-	20,336	20,336
Disposals	-	(44,908)	(44,908)
Transfer to intangible fixed assets	-	(30,774)	(30,774)
At 31 January 2022	129,399	189,424	318,823
Depreciation			
At 1 February 2021	74,540	194,732	269,272
Charge for the year	18,925	26,128	45,053
Disposals	-	(44,908)	(44,908)
Transfer to intangible fixed assets	-	(31,017)	(31,017)
At 31 January 2022	93,465	144,935	238,400
Net book value			
At 31 January 2022	35,934	44,489	80,423
At 31 January 2021	54,859	50,038	104,897

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

17. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 February 2021	87
At 31 January 2022	<u>87</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
D.R. Wakefield (Europe) & Co Limited	Coffee merchant	1 Ordinary	100%

The registered office of D.R. Wakefield (Europe) & Co Limited is 108 Q House, Furze Road, Sandyford, Dublin 18, Ireland.

18. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods and goods for resale	<u>19,074,552</u>	<u>11,760,605</u>	<u>12,000,393</u>	<u>9,560,482</u>

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

19. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	7,367,148	4,131,063	5,682,433	3,069,355
Amounts owed by group undertakings	-	-	2,789,708	1,536,726
Other debtors	1,218,798	34,439	1,099,688	34,439
Prepayments and accrued income	143,276	129,550	142,008	126,662
Financial instruments (note 22)	686,964	186,344	-	175,977
	<u>9,416,186</u>	<u>4,481,396</u>	<u>9,713,837</u>	<u>4,943,159</u>

20. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	7,149,456	1,798,609	6,938,422	1,755,734
Less: bank overdrafts	(12,210,112)	(2,334,532)	(11,476,098)	(1,669,471)
	<u>(5,060,656)</u>	<u>(535,923)</u>	<u>(4,537,676)</u>	<u>86,263</u>

21. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	12,210,112	2,334,532	11,476,098	1,669,471
Bank loans	3,732,523	3,662,044	2,930,252	3,452,337
Trade creditors	3,459,096	1,327,213	1,851,262	1,218,468
Corporation tax	310,859	131,686	306,559	76,208
Other taxation and social security	47,870	54,905	47,870	46,175
Other creditors	1,864,613	1,437,201	1,168,920	1,437,201
Accruals and deferred income	5,805,865	2,449,051	3,928,096	2,030,150
Derivative financial liabilities (note 22)	91,524	3,684	80,179	-
	<u>27,522,462</u>	<u>11,400,316</u>	<u>21,789,236</u>	<u>9,930,010</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the Company's assets.

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

22. Financial instruments

The Group is exposed to: foreign currency exchange rate risk, liquidity risk, interest rate risk, credit risk and price risk. Details relating to these risks, other than interest rate risk, are disclosed in the Group Strategic Report on page 1.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing borrowings.

Classification of financial instruments

Financial assets and liabilities measured at fair value through profit or loss comprise derivative financial instruments as set out below.

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	<u>686,964</u>	<u>186,344</u>	<u>-</u>	<u>175,977</u>
Financial liabilities				
Financial liabilities measured at fair value through profit and loss	<u>(91,524)</u>	<u>(3,684)</u>	<u>(80,179)</u>	<u>-</u>

Derivative financial instruments

Forward foreign currency contracts

The Group enters into forward currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 January 2022, the outstanding contracts all mature within 12 months (2021 - 12 months) of the year end.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The fair value of the forward foreign currency contracts at 31 January 2022 was a loss of £25,995 (2021 - gain of £93,279).

Coffee futures contracts

The Group enters into coffee futures contracts to mitigate the price risk associated with the sale and purchase of coffee. At 31 January 2022, the outstanding contracts all mature within 12 months (2021 - 12 months) of the year end.

The coffee futures are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward rates for the contracts. The fair value of the coffee futures as at 31 January 2022 was a gain of £621,525 (2021 - £89,381).

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

23. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	104,020	14,215
Charged to profit or loss	120,889	89,805
Deferred tax liability at end of year	224,909	104,020

Company

	2022 £	2021 £
At beginning of year	101,695	13,052
Charged to profit or loss	(45,641)	88,643
Deferred tax liability at end of year	56,054	101,695

The deferred taxation liability is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	88,310	77,546	88,310	75,329
Short-term timing differences	136,599	26,474	(32,256)	26,366
	224,909	104,020	56,054	101,695

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
562,000 Ordinary A shares of £0.10 each	56,200	56,200
68,000 Ordinary B shares of £0.10 each	6,800	6,800
160,000 Ordinary C shares of £0.10 each	16,000	16,000
160,000 Ordinary D shares of £0.10 each	16,000	16,000
50,000 Ordinary F shares of £0.10 each	5,000	5,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/>	<hr/>

Share classes A, B, C, D and F all confer the right to vote and to participate in dividends, capital, and other distributions included on winding up.

25. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

26. Share-based payments

On 29 August 2018, 1000 options were granted to an executive director over the Ordinary G shares. The options have been granted under the Enterprise Management Incentive ("EMI") scheme offered by HM Revenue and Customs.

The option holder has the option to acquire the shares at an exercise price of £0.10 per Ordinary G share.

The option shall vest and be capable of exercise on the event of an exit event in full.

The options outstanding at 31 January 2022 were 1,000 (2021 - 1,000).

No charge to the Statement of Comprehensive Income has been made, as the options can only be exercised on an intended sale of the Company which was not considered probable.

27. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £82,847 (2021 - £70,431). Contributions of £895 (2021 - £Nil) were payable to the fund at the balance sheet date.

D.R. WAKEFIELD & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

28. Commitments under operating leases

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

	Group 2022 £	Group 2021 £
Not later than 1 year	24,229	115,641
Later than 1 year and not later than 5 years	-	4,550
	<u>24,229</u>	<u>120,191</u>

29. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

At the year end, the Company owed £1,138,920 (2021 - £1,398,486) to the shareholders in respect of unpaid dividends. This amount is included in other creditors on the Balance Sheet.

During the year, close family members of the officers of the Company received remuneration of £18,846 (2021 - £Nil).

Key management personnel

Key management personnel are deemed to be the directors of the Group and as such, the exemption contained in FRS 102 33.7A has been taken to disclose their remuneration in note 10. In addition to the remuneration disclosed in note 10, £31,583 of social security costs were incurred during the year for key management personnel.

30. Post balance sheet events

The calendar year 2022 has been dominated by an unprecedented period of sustained high global coffee prices as well as continued organic growth of the business. Such drivers increase the Company's and Group's working capital requirements and as a result, subsequent to the year end, the Company's and Group's finance facilities have been extended by HSBC.

31. Controlling party

The ultimate controlling party is considered to be Mr S D Wakefield, by virtue of his shareholding in the Company.