

# Capespan International Limited

Directors' report and financial statements

Year ended 31 December 2021

**Registered number: 02893876**

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# Capespan International Limited

## Directors' report and financial statements

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# Capespan International Limited

## Directors and other information

### Directors

G.I. Green  
A.F. Fuchs

### Registered office

37 Market Square  
Whitney  
Oxfordshire  
OX28 6RE  
England

### Auditor

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### Bankers

HSBC  
69 Pall Mall  
London  
SW1Y 5EY  
UK

### Solicitors

Thomson Snell & Passmore  
3 Lonsdale Gardens  
Tunbridge Wells  
TN1 1NX  
UK

### Registered number

02893876

# Capespan International Limited

## Strategic report

### Principal activities

The principal activity of the Company is the provision of management and procurement services to other group companies.

### Review of business

The Company's loss after tax for the year ended 31 December 2021 was £399,532 (2020: £132,605).

Since the beginning of 2020, the Company continues to operate in the UK market on behalf of other Group entities, ultimately earning a service charge from the respective entities for the procurement of fruit for distribution across Europe and the marketing and distribution of fruit in the UK.

### Going concern and future developments

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, which under IAS 1 Presentation of Financial Statements is at least, but is not limited to, twelve months from the date on which these financial statements are approved. We confirm that we have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

### Principal risks and uncertainties

The Company has assessed the impact of Brexit and don't expect any adverse impact on the Company.

The Company is dependent on the continuing commitment of its directors and senior management team. The loss of such key personnel without adequate replacement could have an adverse effect on the business.

The experienced management team continually monitor and manage these risks.

On behalf of the board



G.I. Green  
3 October 2022  
Director

# Capespan International Limited

## Directors' report

The directors present their directors report and the audited financial statements of the Company for the year ended 31 December 2021.

### Results and dividends

The Company's loss after tax for the year ended 31 December 2021 was £399,532 (2020: £132,605).

The results of the Company for the year ended 31 December 2021 are set out on page 9. A dividend of £Nil was paid during the year (2020: £2,580,000).

### Directors

On 1 August 2018, G.I. Green was appointed as a director. On 20 March 2020, A.F. Fuchs was appointed as a director.

### Research and development

The Company did not engage in any research and development in the current year.

### Political and charitable contributions

The Company made charitable and non-political contributions of £Nil (2020: £Nil) during the year.

### Post balance sheet events

Subsequent to year-end, significant progress was made in terms of completing the buy-out process of the SACCE pension scheme. In August 2022 the process to cleanse all Scheme data and move to buyout was completed. This resulted in an additional premium being paid to JUST to account for differences in market conditions and Scheme data between the initial transaction and the completion of the buyout data cleanse work in August 2022. The agreed premium was paid in early September 2022 officially securing all benefits with JUST. JUST will become responsible for paying all pensions from 1 November 2022, at which point the Trustees are looking to wind-up the Scheme. The provision raised by the Company at 31 December 2021, will be sufficient to cover the additional contributions that the Company had to make to the Trust in order secure the buy-out and to wind-up the Trust. There have been no other events subsequent to the year-end which require disclosure in, or adjustment to, the financial statements.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board



G.I. Green  
3 October 2022  
Director

## Capespan International Limited

### Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



G.I. Green  
3 October 2022  
Director



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the members of Capespan International Limited

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Capespan International Limited ("the Company") for the year ended 31 December 2021 set out on pages 9 to 38, which comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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

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



## Independent auditor's report to the members of Capespan International Limited (continued)

### Report on the audit of the financial statements (continued)

#### **Conclusions relating to going concern (continued)**

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

#### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, environmental law.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.





**Independent auditor's report to the members of Capespan International Limited**  
*(continued)*

**Report on the audit of the financial statements** *(continued)*

**Detecting irregularities including fraud** *(continued)*

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

**Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.



## Independent auditor's report to the members of Capespan International Limited (continued)

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

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 including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

10 October 2022

Colm O'Sé (**Senior Statutory Auditor**)  
for and on behalf of KPMG, Statutory Auditor  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

# Capespan International Limited

## Income statement

for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Continuing operations</b>			
Revenue	2	219	267
Cost of sales		-	(4)
		<hr/>	<hr/>
<b>Gross profit</b>		219	263
Other operating income	5	-	1
Administrative expenses		(624)	(495)
		<hr/>	<hr/>
<b>Loss from operating activities</b>	4	(405)	(231)
Financial income	6	182	344
Financial expense	6	(176)	(246)
		<hr/>	<hr/>
<b>Loss before tax</b>		(399)	(133)
Income tax charge	7	-	-
		<hr/>	<hr/>
<b>Loss for the financial year attributable to equity shareholders</b>		<hr/> <b>(399)</b> <hr/>	<hr/> <b>(133)</b> <hr/>

The notes on pages 14 to 38 form an integral part of these financial statements.

On behalf of the board



G.I. Green  
3 October 2022  
Director

# Capespan International Limited

## Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Loss for the financial year</b>		<b>(399)</b>	<b>(133)</b>
<b>Other comprehensive income</b>			
Movement in liability in relation to minimum funding requirement on defined benefit pension scheme obligation	13	(6)	(66)
<b>Total other comprehensive loss</b>		<b>(405)</b>	<b>(199)</b>
<b>Total other comprehensive loss attributable to equity shareholders</b>		<b>(405)</b>	<b>(199)</b>

The notes on pages 14 to 38 form an integral part of these financial statements.

# Capespan International Limited

## Balance sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Assets</b>			
<b>Current</b>			
Trade and other receivables	9	13	286
Cash and cash equivalents		2,181	2,073
<b>Total current assets</b>		<b>2,194</b>	<b>2,359</b>
<b>Total assets</b>		<b>2,194</b>	<b>2,359</b>
<b>Equity</b>			
Called-up share capital	10	952	952
Retained earnings		723	1,128
Capital contribution	18	66	91
<b>Total equity</b>		<b>1,741</b>	<b>2,171</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	11	453	188
<b>Total liabilities</b>		<b>453</b>	<b>188</b>
<b>Total equity and liabilities</b>		<b>2,194</b>	<b>2,359</b>

The notes on pages 14 to 38 form an integral part of these financial statements. These financial statements were approved by the board of directors on 3 October 2022 and signed on its behalf by:



G.I. Green  
Director

Company registered number: 02893876

# Capespan International Limited

## Statement of changes in equity for the year ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Capital contribution £'000	Total equity £'000
<b>Balance at 1 January 2020</b>	3,452	3,907	83	7,442
<b>Comprehensive income</b>				
Loss for the financial year	-	(133)	-	(133)
<b>Other comprehensive income</b>				
Movement in liability in relation to minimum funding requirement on defined benefit pension scheme obligation	-	(66)	-	(66)
<b>Total other comprehensive loss</b>	-	(66)	-	(66)
<b>Total comprehensive loss</b>	-	(199)	-	(199)
Recharge of share based payment from parent undertaking (note 18)	-	-	8	8
Dividend paid	-	(2,580)	-	(2,580)
Reduction in share capital	(2,500)	-	-	(2,500)
<b>Balance at 31 December 2020</b>	<b>952</b>	<b>1,128</b>	<b>91</b>	<b>2,171</b>
<b>Balance at 1 January 2021</b>	952	1,128	91	2,171
<b>Comprehensive income</b>				
Loss for the financial year	-	(399)	-	(399)
<b>Other comprehensive income</b>				
Movement in liability in relation to minimum funding requirement on defined benefit pension scheme obligation	-	(6)	-	-
<b>Total other comprehensive loss</b>	-	(405)	-	(405)
<b>Total comprehensive loss</b>	-	(405)	-	(405)
Recharge of share based payment from parent undertaking (note 18)	-	-	6	6
Vesting of share based payments (note 18)	-	-	(31)	(31)
Increase in share capital	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>952</b>	<b>723</b>	<b>66</b>	<b>1,741</b>

The notes on pages 14 to 38 form an integral part of these financial statements.

# Capespan International Limited

## Statement of cash flows

for the year ended 31 December 2021

	2021 £'000	2020 £'000
<b>Operating activities</b>		
Loss for the financial year	(399)	(133)
<i>Adjustments for:</i>		
Depreciation	-	2
Depreciation on leased property	-	12
Employee benefit costs	(6)	(66)
Foreign exchange movements	-	(6)
Movement in trade and other receivables	273	5,292
Movement in trade and other payables	265	(636)
Share based payment charge	(25)	14
	<hr/>	<hr/>
<b>Cash flows from/(used in) operating activities</b>	<b>108</b>	<b>4,479</b>
	<hr/>	<hr/>
<b>Financing activities</b>		
Dividend paid	-	(2,580)
Capital increase/(reduction)	-	(2,500)
	<hr/>	<hr/>
<b>Cash flows from/(used in) financing activities</b>	<b>-</b>	<b>(5,080)</b>
	<hr/>	<hr/>
Net change in cash and cash equivalents	108	(601)
Cash and cash equivalents at beginning of year	2,073	2,674
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>2,181</b>	<b>2,073</b>
	<hr/>	<hr/>

# Capespan International Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

#### Reporting entity

Capespan International Limited ("the Company") is a private company domiciled and registered in the UK. The Company's registered office is at 37 Market Square, Whitney, Oxfordshire, OX28 6RE, England. The Company's financial statements for the year ended 31 December 2021 present the financial information of the Company as a single entity. The Company has taken advantage of the exemption not to prepare consolidated financial statements provided by Section 400 of the Companies Act 2006, as it is a subsidiary undertaking of Capespan Group Proprietary Limited, a Company incorporated in South Africa, which prepares consolidated accounts including the results of this Company.

The financial statements were authorised for issue by the directors on 2022.

The accounting policies applied in the preparation of the financial statements for the year ended 31 December 2021 are set out below.

#### Statement of compliance

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006.

#### Going concern

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future, which under IAS 1 Presentation of Financial Statements is at least, but is not limited to, twelve months from the date on which these financial statements are approved. We confirm that we have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

#### Basis of preparation

The financial statements, which are presented in Sterling, the Company's functional currency, rounded to the nearest thousand, have been prepared on the historical cost basis except for certain financial assets and pension obligations which are stated at their fair value.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

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.



# Capespan International Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Newly effective accounting standards

The following new standards were adopted, where applicable, by the Company for the first time in the current financial reporting period.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 16, COVID-19 Related Rent Concessions beyond 30 June 2021;
- Amendments to IFRS 4 Insurance Contracts – deferral of effective date of IFRS 9

Application of these new standards and annual improvements, had no material impact on the Company's 2021 financial statements.

#### Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment. Dividend income is recognised when the right to receive payment is established.

#### Foreign currency

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets carried at historic cost are not subsequently retranslated. Non-monetary assets carried at fair value are subsequently re-measured at the exchange rate at the date of valuation.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into functional currencies at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

#### Impairment of non-financial assets

The carrying amounts of the Company's assets, other than inventories, (which are carried at the lower of cost and net realisable value), certain financial assets (which are carried at fair value) and deferred tax assets, (which are recognised based on recoverability), are assessed for impairment when an event or transaction indicates that an impairment may have occurred except for goodwill and indefinite lived intangibles which are assessed annually for impairment. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount as appropriate.

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# Capespan International Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### **Cash and cash equivalents**

Cash and cash equivalents, comprise cash balances and call deposits, including bank deposits of less than three months maturity. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### **Employee benefits**

##### ***Short term employee benefits***

Short term employee benefits are recognised as an expense as the related employee service is received.

##### ***Retirement benefit obligations***

Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement as services from employees are received. Under such schemes, the Company has no obligation to make further contributions to these schemes beyond the contracted amount.

The defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation less any past service cost not yet recognised and less the fair value of plan assets (measured at bid value) out of which the obligations are to be settled directly.

The liabilities and costs associated with the Company's defined benefit pension schemes are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of the scheme's liabilities are determined by reference to market yields at the balance sheet date on high quality credit rated bonds that have maturity dates approximating the terms of the Company's obligations. Actuarial gains and losses for subsequent periods are recognised in the statement of other comprehensive income. Current and past service costs, interest on scheme liabilities and expected return on assets are recognised in the income statement and included in operating profit.

# Capespan International Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### **Taxation**

Taxation on the profit or loss for the year comprises deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income in which case the related tax is recognised in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. If the temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting nor taxable profit or loss, it is not recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### **Financial instruments**

##### ***Trade and other receivables***

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

A provision for impairment of trade and other receivables is recognised based on the expected credit losses ('ECL') for those trade and other receivables. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls related to the receivable.

##### ***Trade and other payables***

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# Capespan International Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Revenue

Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgement.

IFRS 15 applies to contracts to deliver goods or services to a customer and provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contracts and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, the Company is required to identify all performance obligations in their contracts with customers. Performance obligations are promises to transfer goods or services to a customer. The Company recognises revenue from the trading of fruit and agricultural products at the point when control of the goods is transferred to the customers.

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

#### Finance income and finance expense

Interest income is recognised as it is accrued in profit or loss, using the effective interest method.

All borrowing costs are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

#### New standards and interpretations not applied

The following new standards were not yet effective for the Company's 2021 financial statements, but will be applied where relevant, from their effective dates.

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 17, Insurance contracts: Initial application of IFRS 17 and IFRS 9;
- Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies;
- Amendments to IAS 8, Definition of Accounting Estimates;
- Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a single transaction.

The Company continues to review the impact of these forthcoming requirements.

# Capespan International Limited

## Notes (continued)

### 2 Revenue

Since the beginning of 2020, the Company continues to operate in the UK market on behalf of other Group entities, ultimately earning a service charge from the respective entities for the distribution and marketing of fruit in the UK.

### 3 Information regarding directors and employees

	2021 Number	2020 Number
Directors' emoluments		
Number of directors who are members of a defined benefit pension scheme	-	-
	<b>2021 £'000</b>	<b>2020 £'000</b>
Total directors' emoluments, excluding pension contributions	127	187
Pension contributions	-	-
Remuneration of the highest paid director, excluding pension contributions	127	187

Certain directors received remuneration from other group undertakings and this information is disclosed in those Company's financial statements.

#### Employees

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

	2021 Number	2020 Number
Sales and distribution	3	3
Administration	-	-
	<b>3</b>	<b>3</b>

# Capespan International Limited

## Notes (continued)

### 3 Information regarding directors and employees (continued)

#### Employee benefits

The aggregate employee costs for the Company are as follows:

	2021 £'000	2020 £'000
Wages and salaries	169	262
Social security contributions	21	33
Other costs (including other benefits and training)	36	33
	<u>226</u>	<u>328</u>

### 4 Statutory and other information

	2021 £'000	2020 £'000
--	---------------	---------------

Loss for the financial year is stated after charging:

Depreciation of owned property, plant and equipment	-	2
Depreciation of leased property, plant and equipment	-	12
Auditor's remuneration for audit services	12	10
Auditor's remuneration for non-audit services	10	6
Operating lease rentals	-	8
	<u>-</u>	<u>38</u>

### 5 Other operating income

	2021 £'000	2020 £'000
Other	-	1
	<u>-</u>	<u>1</u>
<b>Total</b>	<u>-</u>	<u>1</u>

# Capespan International Limited

## Notes (continued)

<b>6 Financial income and expense</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	-	32
Interest income – pension scheme (note 13)	182	312
	<hr/>	<hr/>
Financial income	182	344
	<hr/>	<hr/>
Interest expense – pension scheme (note 13)	(176)	(246)
	<hr/>	<hr/>
Financial expense	(176)	(246)
	<hr/>	<hr/>
<b>7 Income tax charge</b>		
<b>Recognised in the income statement</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<i>Current tax</i>		
UK corporation tax at 19% (2020: 19%)	-	-
Adjustments relating to prior periods	-	-
	<hr/>	<hr/>
<b>Total current tax</b>	-	-
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	-	-
Adjustments relating to prior periods	-	-
Impact of changes in tax rates	-	-
	<hr/>	<hr/>
<b>Total deferred tax</b>	-	-
	<hr/>	<hr/>
<b>Total income tax charge</b>	-	-
	<hr/>	<hr/>

# Capespan International Limited

## Notes (continued)

<b>7 Income tax charge (continued)</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Reconciliation of effective tax rate</b>		
Loss before tax	(399)	(133)
Taxation based on UK corporate rate	(76)	(25)
Expenses not deductible for tax purposes	(1)	(10)
Share based payments	(4)	2
Tax losses not recognised	81	33
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Movement on deferred tax asset recognised directly in equity</b>		
Relating to employee benefit schemes	-	-
	<hr/>	<hr/>
<b>Total movement on deferred tax recognised in equity</b>	-	-
	<hr/>	<hr/>

### Factors which may affect future tax charges

In Finance Act 2020, the UK corporate tax rate continued at 19% and the intended reduction to 17% from 1 April 2020 no longer applies. In the UK Budget on 3 March 2021, the Chancellor also confirmed an increase in the corporation tax rate from 19% to 25% with effect from 1 April 2023. Once enacted, this will have a consequential effect on the Company's future tax charge.

Due to the uncertainty of the recoverability of tax losses, a deferred tax asset of £340,583 (2020: £1,304,986) has not been recognised.

## 8 Dividends to equity shareholders

Dividends of £Nil were paid during the year (2020: £2,580,000).



# Capespan International Limited

## Notes (continued)

<b>9 Trade and other receivables</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Current</b>		
Amounts owed by group undertakings (note 15)	8	257
VAT receivable	2	22
Prepayments	3	7
	<hr/>	<hr/>
	<b>13</b>	<b>286</b>
	<hr/>	<hr/>

The amounts owed by group undertakings include trading balances and loans and are stated net of a provision of £106,286 (2020: £106,286). Trading balances are unsecured, interest free and are repayable on demand. Loan balances are unsecured, but have a market rate of interest and a repayment schedule.

A review of the balances in the current year has resulted in £Nil impairment (2020: £Nil) being recognised on trade receivables. Please refer to note 18 for further analysis.

<b>10 Called up share capital</b>	<b>2021</b>	<b>2020</b>
<b>Authorised</b>		
4,997,000 ordinary voting shares of £1 each	<b>4,997</b>	<b>4,997</b>
1,000 non-voting B ordinary shares of £1 each	1	1
1,000 non-voting C ordinary shares of £1 each	1	1
1,000 non-voting D ordinary shares of £1 each	1	1
	<hr/>	<hr/>
<b>Total authorised share capital</b>	<b>5,000</b>	<b>5,000</b>
	<hr/>	<hr/>
	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Called up, allotted and fully paid</b>		
950,000 ordinary voting shares of £1 each	<b>950</b>	<b>950</b>
1,000 non-voting B ordinary shares of £1 each	1	1
1,000 non-voting C ordinary shares of £1 each	1	1
	<hr/>	<hr/>
<b>Total called up, allotted and fully paid share capital</b>	<b>952</b>	<b>952</b>
	<hr/>	<hr/>

The non-voting B, C and D shares are entitled to a dividend as may be declared by the directors but in the event of the Company being wound up they rank behind the voting ordinary shareholders in proceeds from the final liquidation. The B, C and D non-voting shares rank *pari passu*.

During the prior year, a capital reduction took place reducing the issued ordinary voting shares of £1 each by 2,500,000 to 950,000.

# Capespan International Limited

## Notes (continued)

<b>11 Trade and other payables</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Current</b>		
Trade payables	2	4
Amounts owed to parent and group undertakings (note 15)	104	107
Other payables	-	48
Accruals	347	29
	<hr/>	<hr/>
	<b>453</b>	<b>188</b>
	<hr/>	<hr/>

The amounts due to group and related undertakings include both trading and loan balances. Trading balances are unsecured and interest free. Loan balances owed to parent and group undertakings are interest bearing.

## 12 Deferred taxation

In 2016, the directors formed the view that it was appropriate to write-down the carrying value of the deferred tax asset recognised, given the uncertainty regarding the availability of future profits against which to recover the asset in future periods.

The following deferred tax asset was not recognised in the financial statements:

	<b>2021 £'000</b>	<b>2020 £'000</b>
Accelerated capital allowances	10	7
Losses	256	1,298
Other timing differences	75	-
	<hr/>	<hr/>
<b>Deferred tax asset not recognised</b>	<b>341</b>	<b>1,305</b>
	<hr/>	<hr/>

# Capespan International Limited

## Notes (continued)

### 13 Pension schemes

The Company operates an externally funded defined benefit and defined contribution pension scheme. The schemes are set up under trusts and the assets of the schemes are therefore held separately from those of the Company.

The accompanying disclosures in respect of the year ended 31 December 2021 relate to the Company's defined benefit retirement scheme in the UK, the South African Co-operative Citrus Exchange Limited pension and life assurance scheme ("SACCE").

In 2020, the Trustees of the Scheme completed a transaction with an insurance company to secure members benefits. This means that, upon completion of the buy-out, the insurance company will become responsible for paying members benefits, applying the appropriate annual pension increases as before and any other administrative duties.

Due to the Scheme being in a positive position as the Scheme's funds were in surplus, the Trustees reviewed the buy-out insurance market during 2020, with the help of their advisers (XPS), to determine if a suitable buy-out policy could be purchased in order to secure all Scheme benefits for the future.

The Trustees elected to purchase a buy-out policy with JUST, an insurance company that specialises in the insurance of pensioner/dependant benefits for a quoted premium.

From 1 January 2021, JUST became responsible for paying all pensions. Since that date, JUST will provide the Scheme (XPS as the Scheme Administrator) with funds, on a monthly basis, to cover all pension payments due to members and other beneficiaries from the Scheme. This arrangement will continue until arrangements have been put in place for JUST to pay members and other beneficiaries' benefits direct to them (rather than via the Scheme/XPS). It is worth noting that JUST are now responsible for funding the monthly pension payments indefinitely, including the annual pension increases.

Over the course of 2021 and the first half of 2022, the Trustees worked with their advisers and JUST to arrange for the transfer of the administration from XPS to JUST and all data to be verified and transferred to JUST securely.

In August 2022 the process to cleanse all Scheme data and move to buyout was completed. This resulted in an additional premium being paid to JUST to account for differences in market conditions and Scheme data between the initial transaction and the completion of the buyout data cleanse work in August 2022. The agreed premium was paid in early September 2022 officially securing all benefits with JUST.

JUST will become responsible for paying all pensions from 1 November 2022, at which point the Trustees are looking to wind-up the Scheme.

At 31 December 2021, a valuation was done in terms of IAS 19 for financial reporting purposes. The figures in the following disclosure were measured using the Projected Unit Method. Comparative information for 2020 is also provided.

The net pension credit recognised in the income statement for the year in respect of the Company's defined benefit scheme was £6,000 (2020: £66,000). The cost recognised in the income statement in respect of the Company's defined contribution schemes was £Nil (2020: £Nil).

# Capespan International Limited

## Notes (continued)

### 13 Pension schemes (continued)

The amounts recognised in the balance sheet are as follows:

Gains and losses are recognised immediately on the balance sheet and pass through the statement of comprehensive income.

The amounts recognised in the statement of comprehensive income

	2021 £'000	2020 £'000
Fair value of scheme assets	13,474	14,543
Present value of scheme liabilities	(13,398)	(13,655)
<b>Surplus in the scheme</b>	<b>76</b>	<b>888</b>
Deferred tax asset	-	-
Adjustment in respect of surplus restriction	(76)	(888)
<b>Net asset recognised at year end</b>	<b>-</b>	<b>-</b>
	<b>2021 £'000</b>	<b>2020 £'000</b>
Cumulative amount recognised	(2,693)	(2,693)
Additional amount released/(recognised) in year in respect of the net present value of company contributions to the agreed funding plan	-	-
<b>Amounts recognised in the income statement</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Interest cost	(176)	(246)
Expected return on pension scheme assets	182	312
<b>Total income statement charge</b>	<b>6</b>	<b>66</b>

# Capespan International Limited

## Notes (continued)

### 13 Pension schemes (continued)

Principal actuarial assumptions	2021	2020
Inflation assumption	0.00%	0.00%
Rate of increase in salaries	0.00%	0.00%
Increases for pensions in payment	4.10%	3.70%
Revaluation of deferred pensions	0.00%	0.00%
Liability discount rate	1.95%	1.25%
Expected return on assets at end of year	1.95%	1.25%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	0.00%	0.00%
Future expected lifetime of current pensioner at age 65:		
Male born in 1955:	22.7	22.7
Female born in 1955:	25.0	24.9
Future expected lifetime of current pensioner at age 45:		
Male born in 1975:	43.7	43.7
Female born in 1975:	46.1	46.4
<b>The assets in the scheme are invested in</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Insured policies	12,802	13,843
Cash	672	700
	<b>13,474</b>	<b>14,543</b>

The scheme has no investments in the Company or in property owned by the Company.

### Asset and liability reconciliation

Reconciliation of assets	2021	2020
	<b>£'000</b>	<b>£'000</b>
Fair value of assets at beginning of year	14,543	17,129
Interest income	182	312
Return on assets	(377)	(1,373)
Benefits paid	(760)	(1,043)
Administration expenses	(114)	(482)
<b>Fair value of assets at end of year</b>	<b>13,474</b>	<b>14,543</b>
Actual return on scheme assets	(195)	(1,061)

# Capespan International Limited

## Notes (continued)

### 13 Pension schemes (continued)

#### Asset and liability reconciliation (continued)

Reconciliation of liabilities	2021 £'000	2020 £'000
Value of scheme obligations at the start of the year	(13,655)	(13,429)
Interest on scheme obligations	(176)	(246)
Benefit payments	760	1,043
Actuarial loss	471	(997)
Experience adjustment	(34)	(92)
Adjustment in respect of minimum funding requirement recognised in statement of comprehensive income	6	66
Past service cost	(770)	-
<b>Value of scheme obligations at the end of the year</b>	<b>(13,398)</b>	<b>(13,655)</b>

Amounts for the current and previous four periods are as follows:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Scheme assets	13,474	14,543	17,129	17,106	19,014
Scheme liabilities	(13,398)	(13,655)	(13,429)	(14,560)	(16,201)
Restriction on scheme surplus	-	-	-	-	-
Adjustment in respect of present value of agreed future employer contributions under funding contribution plan	-	-	-	-	-
<b>Scheme surplus</b>	<b>76*</b>	<b>888*</b>	<b>3,700*</b>	<b>2,546*</b>	<b>2,813*</b>
Experience adjustments on scheme assets	-	-	-	-	-
Experience adjustments on scheme liabilities	(28)	(26)	609	438	214

\* In 2017, 2018, 2019, 2020 and 2021 the surplus on the fund was restricted on the basis that the Company has no rights to the surplus.

# Capespan International Limited

## Notes (continued)

### 14 Commitments and contingencies

#### (a) Capital commitments

The directors have authorised capital expenditure of £Nil (2020: £Nil) at the balance sheet date.

#### (b) Other commitments and contingencies

From time to time, the Company is involved in other claims and legal actions, which arise in the normal course of business. Based on information currently available to the Company, and legal advice, the directors believe such litigation will not, individually or in aggregate, have a material adverse effect on the financial statements and that the Company is adequately positioned to deal with the outcome of any such litigation.

### 15 Related parties

#### Identity of related parties

The Company has a related party relationship with its ultimate parent company, Capespan Group Proprietary Limited and its subsidiary and associated companies, its immediate parent company (Capespan International Holdings Limited and its other subsidiary companies), its defined benefit pension schemes, and with the key management personnel (including directors) of the Company and subsidiaries.

Payments to Key Management Personnel:	2021 £'000	2020 £'000
Short term employee benefits	127	187
Post-employment benefits	-	-
	<u>127</u>	<u>187</u>

#### Related party transactions with associated companies

The Company trades in the normal course of its business, in some situations under long term supply contracts, with its associated companies. A summary of transactions with these related parties during the year ended 31 December 2021 is as follows (revenue and purchases including interest, management and administration fees):

	2021 Revenue £'000	2021 Purchases £'000	2020 Revenue £'000	2020 Purchases £'000
Ultimate parent company	-	-	-	-
Parent company	-	-	-	-
Other group companies	219	-	267	-
	<u>219</u>	<u>-</u>	<u>267</u>	<u>-</u>

# Capespan International Limited

## Notes (continued)

### 15 Related parties (continued)

#### Related party transactions with associated companies (continued)

	2021 Debtor £'000	2021 Creditor £'000	2020 Debtor £'000	2020 Creditor £'000
Ultimate parent company	-	-	-	-
Other group companies	114	(104)	363	(107)
	<u>114</u>	<u>(104)</u>	<u>363</u>	<u>(107)</u>

### 16 Ultimate parent undertakings

Capespan International Limited is owned by Capespan International Holdings Limited, incorporated in the United Kingdom. The ultimate holding company of Capespan International Limited in the Capespan group is Capespan Group Proprietary Limited with the ultimate holding company of Capespan Group Proprietary Limited being Zeder Investments Limited, a company incorporated in South Africa.

Capespan International Limited has taken advantage of the exemption not to prepare consolidated financial statements provided by Section 400 of the Companies Act 2006, as it is a subsidiary undertaking of Capespan Group Proprietary Limited, a Company incorporated in South Africa, which prepares consolidated financial statements which include the results and financial position of the Company.

Accounts of the ultimate parent undertaking are available from:

The Secretary, Capespan Group Proprietary Limited, 1 Edmar Street, 1<sup>st</sup> Floor Oak Leaf Terrace Old Oak Office, Tyger Valley, Western Cape, South Africa, 7530.



## Capespan International Limited

### Notes (continued)

#### 17 Financial instruments and financial risk

	Designated at fair value 2021 £'000	Financial assets at amortised cost 2021 £'000	Liabilities at amortised cost 2021 £'000	Total carrying amount 2021 £'000	Fair value 2021 £'000
Trade and other receivables (note 9)	-	13	-	-	13
Cash and cash equivalents	-	2,181	-	-	2,181
	-	2,194	-	-	2,194
Trade and other payables (note 11)	-	-	(453)	(453)	(453)
	-	-	(453)	(453)	(453)

## Capespan International Limited

### Notes (continued)

#### 17 Financial instruments and financial risk (continued)

	Designated at fair value 2020 £'000	Financial assets at amortised cost 2020 £'000	Liabilities at amortised cost 2020 £'000	Total carrying amount 2020 £'000	Fair value 2020 £'000
Trade and other receivables (note 9)	-	286	-	286	286
Cash and cash equivalents	-	2,073	-	2,073	2,073
	-	2,359	-	2,359	2,359
Trade and other payables (note 11)	-	-	(188)	(188)	(188)
	-	-	(188)	(188)	(188)

# Capespan International Limited

## Notes (continued)

### 17 Financial instruments and financial risk (continued)

#### Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

#### Short term bank deposits and cash and cash equivalents

For short term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal amount is deemed to reflect fair value.

#### Trade and other receivables/payables

The Company's trade and other receivables/ payables are carried at amortised cost.

#### Risk exposures

The Company's operations expose it to various financial risks that include credit risk, liquidity risk, currency risk and interest rate risk. The Company has a risk management program in place which seeks to limit the impact of these risks on the financial performance of the Company and it is the policy to manage these risks in a non-speculative manner.

The Company has exposure to the following risks:

- credit risk
- liquidity risk
- currency risk
- interest rate risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing the risk, and the Company's management of capital. Further quantitative disclosures are included throughout this note.

The board of directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. Risk evaluation and recommendations for strategic change are reviewed by the board at quarterly board meetings.

The board has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The board has embedded these structures and procedures throughout the Company and considers these to be a robust and efficient mechanism for creating a culture of risk awareness at every level of management.

# Capespan International Limited

## Notes (continued)

### 17 Financial instruments and financial risk (continued)

#### Credit risk

##### *Exposure to credit risk*

Credit risk arises from credit risk to customers and associates arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions.

##### *Trade and other receivables*

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers or geographically.

The Company has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored. The impairment provisions accounts are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible, at that point the amount is considered irrecoverable and is written off directly against the trade receivable.

Under IFRS 9 a provision for impairment of trade and other receivables is recognised based on the expected credit losses ('ECL') for those trade and other receivables. Loss allowances are based on lifetime ECLs, except for the following which are measured as 12 month ECLs:

- Trade receivables;
- Other receivables which have been determined to be low risk at the reporting date; and
- Other receivables for which there has not been a significant increase in credit risk (i.e. the risk of a default occurring) at the reporting date since the other receivable first originated.

Trade receivables are considered to be in default if repayment is considered unlikely or if the trade receivable is more than 180 days past due. Other receivables are considered to be in default if the receivable is not collected within the agreed terms.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a receivable. 12 month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the receivable is less than 12 months).

The expected loss rates for trade receivables are based on the payment profile of these receivables over a thirteen month period and the corresponding historical credit losses that have been experienced in this period. The historical loss rates are adjusted to reflect current and forward looking information available that affect the ability of the customer to settle the receivable.

The expected loss rates for other receivables are based on the repayment profiles of individual receivables over a four year period and the corresponding historical credit losses that have been experienced in this period. The historical loss rates are adjusted to reflect current and forward looking information available that affect the ability of the other receivable to repay the balance.

# Capespan International Limited

## Notes (continued)

### 17 Financial instruments and financial risk (continued)

#### Credit risk (continued)

#### Exposure to credit risk (continued)

##### Cash and short term bank deposits

Cash and short term bank deposits are invested with institutions with the highest credit rating with limits on amounts held with individual banks or institutions at any one time.

The carrying amount of financial assets, net of impairment provisions represents the Company's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

	Note	Carrying amount 2021 £'000	Carrying amount 2020 £'000
Cash and cash equivalents		2,181	2,073
Other receivables (excluding prepayments)	9	10	279
		<hr/>	<hr/>
		2,191	2,352
		<hr/>	<hr/>

##### Other receivables

The following table details the ageing of gross third party other receivables, and the related loss allowance in respect of specific amounts expected to be irrecoverable:

	2021 Gross £'000	2021 Expected loss rate %	2021 Loss allowance £'000	2021 Net £'000
Not past due	2	-	-	2
	<hr/>	<hr/>	<hr/>	<hr/>
	2	-	-	2
	<hr/>	<hr/>	<hr/>	<hr/>

# Capespan International Limited

## Notes (continued)

### 17 Financial instruments and financial risk (continued)

#### Credit risk (continued)

#### Exposure to credit risk (continued)

#### Other receivables (continued)

	2020 Gross £'000	2020 Expected loss rate %	2020 Loss allowance £'000	2020 Net £'000
Not past due	22	-	-	22
	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to the best of their ability that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the financial liabilities and cash and cash equivalents, including estimated interest payments and excluding the impact of netting agreements:

	2021 Carrying amount £'000	2021 6 months or less £'000	2020 Carrying amount £'000	2020 6 months or less £'000
<b>Non-derivative financial liabilities</b>				
Trade and other payables	453	349	188	82

#### Market risk

Market risk is the risk that changes market prices and indices, such as foreign exchange rates, and interest rates. It will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the Company. The Company has two types of market risk namely currency risk and interest rate risk neither of which give risk to any material risk to the Company.

# Capespan International Limited

## Notes (continued)

### 18 Capital contribution

During the year ended 31 December 2014, a long-term bonus scheme was implemented through a share option scheme, operated by the Capespan Group Share Incentive Trust. Share options are granted to participants (which include executive directors and senior management of Capespan International Limited) on grant date at market price. The settlement of the purchase consideration payable by the participant in terms of the share options granted occurs on vesting. Vesting of share options occur in tranches of 25% each after 2, 3, 4 and 5 years from grant date, respectively.

The equity-settled share-based payment charge (calculated making use of a Black-Scholes valuation model and the inputs set out below) will be recognised over the specified service periods in light of the services being rendered by the participants to Capespan International Limited.

During the current year, £6,000 (2020: £8,000) was credited to the capital contribution reserve, relating to the recharge of share based payments from the Company's parent undertaking. In addition to this, £31,000 was debited to the capital contribution reserve relating to a recharge arrangement between the Company and its parent company, Capespan Group Proprietary Limited. The Company was liable to fund the difference between the strike price payable by the participant, and the market value at which the shares were issued.

### 19 Post balance sheet events

Subsequent to year-end, significant progress was made in terms of completing the buy-out process of the SACCE pension scheme. In August 2022 the process to cleanse all Scheme data and move to buyout was completed. This resulted in an additional premium being paid to JUST to account for differences in market conditions and Scheme data between the initial transaction and the completion of the buyout data cleanse work in August 2022. The agreed premium was paid in early September 2022 officially securing all benefits with JUST. JUST will become responsible for paying all pensions from 1 November 2022, at which point the Trustees are looking to wind-up the Scheme. The provision raised by the Company at 31 December 2021, will be sufficient to cover the additional contributions that the Company had to make to the Trust in order secure the buy-out and to wind-up the Trust. There have been no other events subsequent to the year-end which require disclosure in, or adjustment to, the financial statements.