

REGISTERED NUMBER: 03590758 (England and Wales)

Cambridge Commodities Limited

Strategic Report,

Report of the Directors and

Financial Statements

for the Year Ended

30 November 2016

Haines Watts
Statutory Auditor
8 Hopper Way
Diss
Norfolk
IP22 4GT

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Cambridge Commodities Limited

**Company Information
for the Year Ended 30 November 2016**

DIRECTORS:

J Stevens
N W S Hammill
T Stevens
I York
I A Mitchell

SECRETARY:

L S Stevens

REGISTERED OFFICE:

203 Lancaster Way Business Park
Ely
Cambridgeshire
CB6 3NX

REGISTERED NUMBER:

03590758 (England and Wales)

AUDITORS:

Haines Watts
Statutory Auditor
8 Hopper Way
Diss
Norfolk
IP22 4GT

The directors present their strategic report for the year ended 30 November 2016.

Cambridge Commodities Limited It is an importer and distributor of raw ingredients located in Cambridgeshire, England.

REVIEW OF BUSINESS

The Directors are pleased to report that turnover had increased by £1,575,530 (2015: £1,261,905) during the year to 30 November 2016 and has continued to grow steadily in the period following, largely due to continued growth and expansion into mainland European markets.

The past year also saw the company setup an Enterprise Management Incentive Scheme granting options to purchase shares in the company. The directors are hopeful that the scheme will ensure key staff are retained to facilitate the continued development of the business.

Exceptional Items

In 2010 the Company setup an unregistered unapproved pension scheme on the recommendation of its former advisors to provide pension benefits to key employees above those allowed by registered pension schemes. These are often called This scheme was an employer-financed retirement benefits schemes (EFRBS) and are operated like a normal pension scheme, with a pension and/or lump sum being paid on retirement and was correctly disclosed to HMRC under the DOTAS regime.

Subsequently the UK Government introduced the Finance Act 2011 which included legislation to retrospectively change the way EFRBS schemes were treated for taxation. At this point the company voluntarily entered into discussion with HM Revenue & Customs (HMRC) regarding additional taxes due as a consequence of the change.

During the year the Company voluntarily agreed a settlement figure of taxes due with HMRC in relation to EFRBS and the settlement is shown as an exceptional item in these Financial Statements amounting to £7,286,997.

Throughout the period of discussion with HMRC the Company has made significant payments in advance of the final settlement agreement which has greatly reduced the final liability which will be paid over a 24-month period. As such, despite the relatively high headline figure the Directors do not believe the settlement will adversely affect the future growth of the business in the short, medium or long term and are pleased to have brought the matter to a close.

PRINCIPAL RISKS AND UNCERTAINTIES

Regulation

The market for sports nutrition and health foods continues to mature and regulation in both statutory and industry wide forms continue to increase which require careful monitoring to ensure compliance.

Industry Consolidation

As in prior years, consolidation of brands and products has continued and the acquisition of key customers and suppliers by rivals will continue to be potential risk faced by the company.

Currency

The Company continues to be exposed to a broad range of markets and currencies which it manages through a variety of derivative products.

FINANCIAL OBJECTIVES

The company is focussed on profitable organic growth in the UK and overseas to ensure the long sustainability of the Company.

**Strategic Report
for the Year Ended 30 November 2016**

OBJECTIVES AND KEY PERFORMANCE INDICATORS

- Deliver financial results in line with forecast and budgets.
- Deliver cash at bank in line with cash flow forecasts.
- Achieve target profit in line with expectations.

FUTURE DEVELOPMENTS

The Company is principally focussed on expansion of existing product lines geographically into new markets and research, development and innovation to enable it to maintain a strong presence in existing markets into the future.

Overseas Expansion

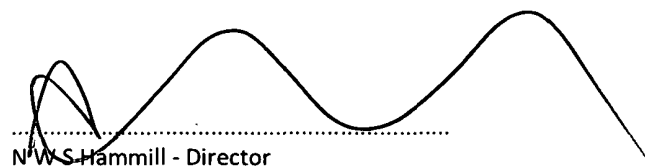
During the year the Company continued to seek new representatives on mainland Europe to promote the UK business to overseas customers. The also Incorporated a US trading entity and commenced trading in early 2017.

Research, Development and Innovation

The Company continues to invest heavily into the development of new products and believes that it is fundamental to maintaining the company's position as a key supplier to the food, health and sports nutrition industries. The strategic focus of this work is:

- Identification of new ingredients.
- Identification and development of new applications for existing ingredients.
- Development of new products incorporating the above.

ON BEHALF OF THE BOARD:



N.W.S. Hammill - Director

Date: 25/08/2017

Cambridge Commodities Limited

Report of the Directors for the Year Ended 30 November 2016

The directors present their report with the financial statements of the company for the year ended 30 November 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of importing of various nutraceutical vitamins, minerals and other associated products for wholesaling to United Kingdom and overseas customers, and marketing services and wholesaling of veterinary products.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2015 to the date of this report.

J Stevens
N W S Hammill

Other changes in directors holding office are as follows:

O Stevens – resigned 31 May 2017
I A Mitchell - appointed 14 March 2016
T Stevens – appointed 20 February 2017
I York – appointed 3 January 2017

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with s.414C(11) CA 2006, all items under Schedule 7 have been set out in the strategic report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

The 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cambridge Commodities Limited

**Report of the Directors
for the Year Ended 30 November 2016**

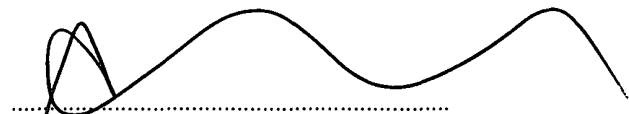
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a series of loops and curves, positioned above a dotted line.

N W S Hammill - Director

Date: 25/08/2017

Report of the Independent Auditors to the Members of Cambridge Commodities Limited

We have audited the financial statements of Cambridge Commodities Limited for the year ended 30 November 2016 on pages eight to thirty one. The financial reporting framework that has been applied in their preparation is 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'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Cambridge Commodities Limited**

Matters on which we are required to report by exception

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

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

Matthew Neale (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditor
8 Hopper Way
Diss
Norfolk
IP22 4GT

Date: 29.08.17

Cambridge Commodities Limited

**Income Statement
for the Year Ended 30 November 2016**

	Notes	2016 £	2015 £
TURNOVER	3	29,722,491	28,146,961
Cost of sales		<u>25,246,985</u>	<u>19,681,003</u>
GROSS PROFIT		4,475,506	8,465,958
Administrative expenses		<u>4,879,103</u>	<u>3,808,532</u>
		(403,597)	4,657,426
Other operating income		<u>5,574</u>	<u>275,066</u>
OPERATING (LOSS)/PROFIT	5	(398,023)	4,932,492
Exceptional items	6	<u>7,286,997</u>	-
		(7,685,020)	4,932,492
Interest receivable and similar income		<u>4,074</u>	<u>6,826</u>
		(7,680,946)	4,939,318
Amounts written off investments	7	<u>-</u>	<u>71,743</u>
		(7,680,946)	4,867,575
Interest payable and similar expenses	8	<u>235,809</u>	<u>92,293</u>
(LOSS)/PROFIT BEFORE TAXATION		(7,916,755)	4,775,282
Tax on (loss)/profit	9	<u>(571,166)</u>	<u>759,862</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(7,345,589)</u>	<u>4,015,420</u>

The notes form part of these financial statements

Cambridge Commodities Limited

**Other Comprehensive Income
for the Year Ended 30 November 2016**

	Notes	2016 £	2015 £
(LOSS)/PROFIT FOR THE YEAR		(7,345,589)	4,015,420
OTHER COMPREHENSIVE INCOME			
EMI option expense		126,629	122,900
Capital contribution		188,065	-
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>314,694</u>	<u>122,900</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(7,030,895)</u>	<u>4,138,320</u>

The notes form part of these financial statements

Statement of Financial Position
30 November 2016

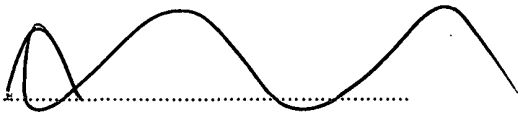
	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	10	5,759,217	5,765,268
Investments	11	<u>1,050,001</u>	<u>1,050,000</u>
		<u>6,809,218</u>	<u>6,815,268</u>
 CURRENT ASSETS			
Stocks	12	10,341,146	13,137,658
Debtors	13	12,158,947	15,580,986
Cash at bank and in hand		<u>283,272</u>	<u>1,153,295</u>
		22,783,365	29,871,939
CREDITORS			
Amounts falling due within one year	14	<u>(13,882,838)</u>	<u>(19,873,037)</u>
NET CURRENT ASSETS		<u>8,900,527</u>	<u>9,998,902</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,709,745	16,814,170
 CREDITORS			
Amounts falling due after more than one year	15	(6,030,423)	(103,953)
PROVISIONS FOR LIABILITIES	19	<u>(22,388)</u>	<u>(22,388)</u>
NET ASSETS		<u>9,656,934</u>	<u>16,687,829</u>

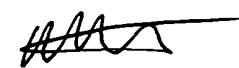
The notes form part of these financial statements

Statement of Financial Position - continued
30 November 2016

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	20	93	93
Share premium	21	99,999	99,999
Capital redemption reserve	21	12	12
Other reserves	21	437,594	122,900
Retained earnings	21	<u>9,119,236</u>	<u>16,464,825</u>
SHAREHOLDERS' FUNDS		<u>9,656,934</u>	<u>16,687,829</u>

The financial statements were approved by the Board of Directors on 25/08/2017 and were signed on its behalf by:


.....
N W S Hammill - Director


.....
I A Mitchell - Director

The notes form part of these financial statements

Cambridge Commodities Limited

**Statement of Changes in Equity
for the Year Ended 30 November 2016**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 December 2014	93	12,449,405	99,999
Changes in equity			
Total comprehensive income	-	4,015,420	-
Balance at 30 November 2015	93	16,464,825	99,999
Changes in equity			
Total comprehensive income	-	(7,345,589)	-
Balance at 30 November 2016	93	9,119,236	99,999
	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 December 2014	12	-	12,549,509
Changes in equity			
Total comprehensive income	-	122,900	4,138,320
Balance at 30 November 2015	12	122,900	16,687,829
Changes in equity			
Total comprehensive income	-	314,694	(7,030,895)
Balance at 30 November 2016	12	437,594	9,656,934

The notes form part of these financial statements

Cambridge Commodities Limited

**Statement of Cash Flows
for the Year Ended 30 November 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	(810,965)	1,727,447
Interest paid		(221,655)	(83,902)
Interest element of hire purchase payments paid		(14,154)	(8,391)
Tax paid		<u>(1,045,307)</u>	<u>(2,241,266)</u>
Net cash from operating activities		<u>(2,092,081)</u>	<u>(606,112)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(237,145)	(2,800,864)
Purchase of fixed asset investments		(1)	(60,000)
Sale of tangible fixed assets		54,000	12,800
		-	71,743
Interest received		<u>4,074</u>	<u>6,826</u>
Net cash from investing activities		<u>(179,072)</u>	<u>(2,769,495)</u>
Cash flows from financing activities			
New loans in year		1,822,292	2,419,208
Loan to subsidiary		(8,067)	-
New hire purchase contracts in year		43,770	119,383
Amount introduced by directors		732,142	-
Amount withdrawn by directors		(1,655,256)	-
Capital contribution by director		188,065	122,900
Share options		<u>126,631</u>	<u>-</u>
Net cash from financing activities		<u>1,249,577</u>	<u>2,661,491</u>
Decrease in cash and cash equivalents			
		(1,021,576)	(714,116)
Cash and cash equivalents at beginning of year	2	<u>1,153,295</u>	<u>1,867,411</u>
Cash and cash equivalents at end of year	2	<u><u>131,719</u></u>	<u><u>1,153,295</u></u>

The notes form part of these financial statements

Cambridge Commodities Limited

**Notes to the Statement of Cash Flows
for the Year Ended 30 November 2016**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
(Loss)/profit before taxation	(7,916,755)	4,775,282
Depreciation charges	192,210	161,043
(Profit)/loss on disposal of fixed assets	(3,013)	193,886
Provision for liabilities	-	(77,500)
Finance costs	235,809	92,293
Finance income	(4,074)	(6,826)
	<u>(7,495,823)</u>	<u>5,138,178</u>
Decrease/(increase) in stocks	2,796,512	(1,664,707)
Decrease/(increase) in trade and other debtors	5,046,578	(6,220,933)
(Decrease)/increase in trade and other creditors	<u>(1,158,232)</u>	<u>4,474,909</u>
Cash generated from operations	<u>(810,965)</u>	<u>1,727,447</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 November 2016

	30/11/16	1/12/15
	£	£
Cash and cash equivalents	283,272	1,153,295
Bank overdrafts	<u>(151,553)</u>	<u>-</u>
	<u>131,719</u>	<u>1,153,295</u>

Year ended 30 November 2015

	30/11/15	1/12/14
	£	£
Cash and cash equivalents	1,153,295	1,976,751
Bank overdrafts	<u>-</u>	<u>(109,340)</u>
	<u>1,153,295</u>	<u>1,867,411</u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

Cambridge Commodities Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in the notes below.

Significant judgements and estimates

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements mainly relate to the provision of stock obsolescence and of bad debts.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of insert detail is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost of buildings
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 15% on reducing balance

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Land and buildings are initially valued at cost of purchase and cost of construction respectively. Land is not depreciated.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Employer Financed Retirement Benefit Scheme

In the year to 30th November 2011, the company established an employer financed retirement benefit scheme for the benefit of its officers, employees and wider families, The Cambridge Commodities Limited Employer Financed Retirement Benefit Scheme ("The Scheme").

In accordance with UITF Abstract 32 "Employees Benefit Trusts and other intermediate payment arrangements", the company does not include the assets and liabilities of The Scheme on its balance sheet to the extent that it considers it will not retain any benefit from the assets of The Scheme and will not have control of the rights or other access to those present economic benefits.

The company made no contributions to the above scheme since the year ended 30 November 2013.

Share-based payment

The cost and corresponding increase in equity in respect of equity-settled share-based payment transactions with employees are measured by reference to the fair value of equity instruments issued at the date of grant. Amounts are expensed on a straight line basis over the vesting period based on the estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. The cost and fair value of the liability incurred in respect of cash-settled transactions is measured using an appropriate option pricing model with changes in fair value recognised in profit or loss for the period. Further detail is provided in note

Fixed asset investments

Investments in unlisted companies where no significant influence or controlling interest is obtained, are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

2. ACCOUNTING POLICIES - continued

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

3. TURNOVER

The turnover and loss (2015 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
UK sales	21,164,581	23,615,893
Non UK sales	<u>8,557,910</u>	<u>4,531,068</u>
	<u>29,722,491</u>	<u>28,146,961</u>

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	2,430,495	1,809,945
Social security costs	234,881	162,745
Other pension costs	<u>95,887</u>	<u>90,440</u>
	<u>2,761,263</u>	<u>2,063,130</u>

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

	2016	2015
Administration and support	<u>95</u>	<u>93</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

4. EMPLOYEES AND DIRECTORS - continued

	2016 £	2015 £
Directors' remuneration	<u>393,901</u>	<u>207,795</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2016 £	2015 £
Emoluments etc	<u>158,788</u>	<u>118,000</u>

5. OPERATING (LOSS)/PROFIT

The operating loss (2015 - operating profit) is stated after charging/(crediting):

	2016 £	2015 £
Hire of plant and machinery	197,054	191,457
Other operating leases	68,833	116,547
Depreciation - owned assets	189,567	159,483
Depreciation - assets on hire purchase contracts	2,642	1,559
(Profit)/loss on disposal of fixed assets	(3,013)	193,886
Auditors' remuneration	14,309	12,000
Foreign exchange differences	<u>(192,733)</u>	<u>197,542</u>

6. EXCEPTIONAL ITEMS

	2016 £	2015 £
Exceptional items	-	275,000
Exceptional items	<u>(7,286,997)</u>	<u>-</u>
	<u>(7,286,997)</u>	<u>275,000</u>

The exceptional income in 2015 related to a legal claim against a previous advisor.

The company signed a settlement agreement with HMRC with respect to the EFRBS carried out between 2011 and 2013. The amount included in the year to 30 November 2016 under exceptional items of £7,286,997 relate entirely to the proportion of PAYE and NI charged on the contributions made.

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2016 £	2015 £
Amounts written off investments	<u>-</u>	<u>71,743</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank interest	37	7,874
Bank loan interest	127,586	75,925
CT interest	-	103
Effective interest on loan	94,032	-
Hire purchase	14,154	8,391
	<u>235,809</u>	<u>92,293</u>

9. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	(825,720)	868,756
CT Over/under provision	<u>254,554</u>	<u>(71,400)</u>
Total current tax	(571,166)	797,356
Deferred tax	-	(37,494)
Tax on (loss)/profit	<u>(571,166)</u>	<u>759,862</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£	£
(Loss)/profit before tax	<u>(7,916,755)</u>	<u>4,775,282</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.330%)	(1,583,351)	970,815
Effects of:		
Capital allowances in excess of depreciation	(14,670)	(63,307)
Utilisation of tax losses	867,958	-
Disallowed expenses	25,746	73,063
R&D uplift	(121,403)	(111,815)
Overprovision in previous year	254,554	(71,400)
Deferred tax	-	(37,494)
Total tax (credit)/charge	<u>(571,166)</u>	<u>759,862</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

9. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	2016 Tax £	Net £
EMI option expense	126,629	-	126,629
Capital contribution	188,065	-	188,065
	<u>314,694</u>	<u>-</u>	<u>314,694</u>
	Gross £	2015 Tax £	Net £
EMI option expense	122,900	-	122,900

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 December 2015	5,567,098	93,434	228,449	151,979	6,040,960
Additions	60,595	46,640	47,821	82,089	237,145
Disposals	-	-	-	(73,125)	(73,125)
At 30 November 2016	<u>5,627,693</u>	<u>140,074</u>	<u>276,270</u>	<u>160,943</u>	<u>6,204,980</u>
DEPRECIATION					
At 1 December 2015	99,000	50,165	55,562	70,965	275,692
Charge for year	122,191	15,530	40,037	14,451	192,209
Eliminated on disposal	-	-	-	(22,138)	(22,138)
At 30 November 2016	<u>221,191</u>	<u>65,695</u>	<u>95,599</u>	<u>63,278</u>	<u>445,763</u>
NET BOOK VALUE					
At 30 November 2016	<u>5,406,502</u>	<u>74,379</u>	<u>180,671</u>	<u>97,665</u>	<u>5,759,217</u>
At 30 November 2015	<u>5,468,098</u>	<u>43,269</u>	<u>172,887</u>	<u>81,014</u>	<u>5,765,268</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

10. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Freehold property £
COST	
At 1 December 2015 and 30 November 2016	<u>133,666</u>
DEPRECIATION	
At 1 December 2015	1,559
Charge for year	<u>2,642</u>
At 30 November 2016	<u>4,201</u>
NET BOOK VALUE	
At 30 November 2016	<u>129,465</u>
At 30 November 2015	<u>132,107</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 December 2015	-	1,050,000	1,050,000
Additions	<u>1</u>	<u>-</u>	<u>1</u>
At 30 November 2016	<u>1</u>	<u>1,050,000</u>	<u>1,050,001</u>
NET BOOK VALUE			
At 30 November 2016	<u>1</u>	<u>1,050,000</u>	<u>1,050,001</u>
At 30 November 2015	<u>-</u>	<u>1,050,000</u>	<u>1,050,000</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Iceni Marketing Services Limited

Registered office:

Nature of business: Dissolved

Class of shares:

Ordinary

%
holding
100.00

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

11. FIXED ASSET INVESTMENTS - continued

Cambridge Commodities Inc

Registered office: 160 Greentree Drive, Dover, Kent, Delaware, USA

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

	2016
	£
Aggregate capital and reserves	<u>1</u>

At 30 November 2016 the company was owed £8,067 from its 100% US subsidiary.

Other investments are measured at cost less impairment on the basis that they represent shares in entities that are not publicly traded and the fair value cannot otherwise be measured reliably.

12. STOCKS

	2016	2015
	£	£
Stocks	<u>10,341,146</u>	<u>13,137,658</u>

13. DEBTORS

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	7,521,830	6,610,937
Amounts owed by group undertakings	8,066	-
Other debtors	327,611	600,383
Invoice received awaiting goods	2,093,255	-
Tax	1,616,473	450,420
VAT	213,688	-
Prepayments	140,841	163,772
	<u>11,921,764</u>	<u>7,825,512</u>

Amounts falling due after more than one year:
APN/Reg 80 recoverable

	<u>237,183</u>	<u>7,755,474</u>
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Aggregate amounts	<u>12,158,947</u>	<u>15,580,986</u>
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Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 16)	4,878,607	2,904,762
Hire purchase contracts (see note 17)	20,248	15,430
Trade creditors	4,727,113	2,653,881
Social security and other taxes	2,631,567	50,285
Net wages	1,251	-
VAT	-	150,896
Other creditors	99,073	184,946
APN liability	-	7,755,474
Directors' current accounts	1,206,983	5,536,063
Accruals and other creditors	317,996	621,300
	<u>13,882,838</u>	<u>19,873,037</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Hire purchase contracts (see note 17)	142,905	103,953
Social security and other taxes	2,481,550	-
Directors' loan accounts	3,405,968	-
	<u>6,030,423</u>	<u>103,953</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	151,553	-
Bank loans	4,727,054	2,904,762
	<u>4,878,607</u>	<u>2,904,762</u>

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Net obligations repayable:		
Within one year	20,248	15,430
Between one and five years	142,905	103,953
	<u>163,153</u>	<u>119,383</u>

18. SECURED DEBTS

Barclays bank has a first legal charge over 203 Lancaster Way, Ely, Cambridge CB6 3NX dated 25th July 2016. They also have a debenture on the bank's standard form dated 10th February 2016.

19. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax	<u>22,388</u>	<u>22,388</u>
		Deferred
		tax
		£
Balance at 1 December 2015		<u>22,388</u>
Balance at 30 November 2016		<u>22,388</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
930,000	Ordinary	0.0001	<u>93</u>	<u>93</u>

21. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Other reserves £	Totals £
At 1 December 2015	16,464,825	99,999	12	122,900	16,687,736
Deficit for the year	(7,345,589)				(7,345,589)
Share option reserve	-	-	-	126,630	126,630
Capital contribution reserve	-	-	-	188,064	188,064
At 30 November 2016	<u>9,119,236</u>	<u>99,999</u>	<u>12</u>	<u>437,594</u>	<u>9,656,841</u>

Share premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Capital redemption reserve

The capital redemption reserve represents a non distributable reserve arising on the purchase of own shares.

Other non-distributable reserve

Where EMI options are measured at fair value a transfer is made to the non-distributable reserve, instead of a transfer to retained earnings, to assist with the identification of profits available for distribution.

The capital contribution reserve consists of the amount of effective interest on the proportion of director's loan account which is not repayable on demand.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

22. CONTINGENT LIABILITIES

The Company has been issued with a HMRC notification of enquiry into its Corporation Tax Returns for the years from 30 November 2010. The Company set up Employee Benefit Trust in the year to 30 November 2010.

The enquiry into the Company's previous tax returns where EBT payments have been made is ongoing and the company has now been issued with APNs for 2010. The company has now been required to make payments to HMRC on account of any tax that may or may not be due under the Accelerated Payment Notices (APN's) as a result of contributions made to the Employee Benefit Trust.

The company has paid for the APNs as issued by HMRC on the assumption that payment will be subsequently refunded by HMRC if the tax planning is upheld as legitimate.

The provision for the APN asset amounts to £237,183 (2015: £7,755,474).

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 November 2016 and 30 November 2015:

	2016 £	2015 £
J Stevens		
Balance outstanding at start of year	5,531,281	8,323,791
Amounts advanced	732,142	-
Amounts repaid	(1,653,208)	(2,792,510)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>4,610,215</u>	<u>5,531,281</u>
O Stevens		
Balance outstanding at start of year	4,783	4,783
Amounts repaid	(2,048)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,735</u>	<u>4,783</u>

There are no set repayment terms for the directors loan accounts and no interest is accruing on the outstanding balances.

However, £3,500,000 is repayable only after 1 December 2018 in accordance with an agreement signed on 12th October 2016 and it is showing within long term creditors at its present value calculated at an effective rate of 2.8%.

24. RELATED PARTY DISCLOSURES

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

Cambridge Design and Build Ltd

The owner/director of Cambridge Design and Build Ltd is a sibling of Mr J Stevens the ultimate controlling party of the company.

At the balance sheet date the amount due from Cambridge Design and Build Ltd was £Nil (2015 - £140,000)

Mrs L Stevens

Mrs L Stevens former director is a shareholder of the company.

At the balance sheet date the amount due to Mrs L Stevens was £99,073 (2015 - £122,718).

Cambridge Food Innovation Limited

A company owned by Mr James Stevens, the managing director and main shareholder of the company.

As at 30 November 2016, the company was owed £312.

25. ULTIMATE CONTROLLING PARTY

The company is controlled by James Stevens, the Managing Director, who own 52% of the called up share capital.

26. ENTERPRISE MANAGEMENT INCENTIVE SCHEME

In July 2015 and January 2016 the company granted the options to purchase the shares in the company to some of its employees. The options can be exercised between a period of 5 to 10 years from the date of the grant (or earlier with the Board's approval) . There are no performance conditions, however the options will lapse if the employee will leave the company before the exercise period. The fair value of each share agreed with HMRC when granted was £10.29 for the first issue in July 2015 and £11.35 for the second issue in January 2016.

27. FIRST YEAR ADOPTION

The Company has transitioned to FRS 102 from previously being prepared under the historical cost convention.

Cambridge Commodities Limited

Reconciliation of Equity

1 December 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	1	3,332,132	-	3,332,132
Investments	2	<u>1,061,743</u>	-	<u>1,061,743</u>
		<u>4,393,875</u>	-	<u>4,393,875</u>
CURRENT ASSETS				
Stocks	3	11,472,951	-	11,472,951
Debtors	4	9,455,596	-	9,455,596
Cash at bank and in hand	5	<u>1,976,751</u>	-	<u>1,976,751</u>
		<u>22,905,298</u>	-	<u>22,905,298</u>
CREDITORS				
Amounts falling due within one year	6	<u>(6,160,367)</u>	-	<u>(6,160,367)</u>
NET CURRENT ASSETS		<u>16,744,931</u>	-	<u>16,744,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,138,806	-	21,138,806
CREDITORS				
Amounts falling due after more than one year	7	(8,451,915)	-	(8,451,915)
PROVISIONS FOR LIABILITIES	8	<u>(137,382)</u>	-	<u>(137,382)</u>
NET ASSETS		<u>12,549,509</u>	-	<u>12,549,509</u>
CAPITAL AND RESERVES				
Called up share capital	9	93	-	93
Share premium	10	99,999	-	99,999
Capital redemption reserve	11	12	-	12
Retained earnings	12	<u>12,449,405</u>	-	<u>12,449,405</u>
SHAREHOLDERS' FUNDS		<u>12,549,509</u>	-	<u>12,549,509</u>

The notes form part of these financial statements

Cambridge Commodities Limited

Reconciliation of Equity - continued
30 November 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	1	5,765,268	-	5,765,268
Investments	2	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>
		<u>6,815,268</u>	<u>-</u>	<u>6,815,268</u>
CURRENT ASSETS				
Stocks	3	13,137,658	-	13,137,658
Debtors	4	15,580,986	-	15,580,986
Cash at bank and in hand	5	<u>1,153,295</u>	<u>-</u>	<u>1,153,295</u>
		<u>29,871,939</u>	<u>-</u>	<u>29,871,939</u>
CREDITORS				
Amounts falling due within one year	6	<u>(14,214,256)</u>	<u>(5,658,781)</u>	<u>(19,873,037)</u>
NET CURRENT ASSETS		<u>15,657,683</u>	<u>(5,658,781)</u>	<u>9,998,902</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,472,951	(5,658,781)	16,814,170
CREDITORS				
Amounts falling due after more than one year	7	(5,762,734)	5,658,781	(103,953)
PROVISIONS FOR LIABILITIES	8	<u>(22,388)</u>	<u>-</u>	<u>(22,388)</u>
NET ASSETS		<u>16,687,829</u>	<u>-</u>	<u>16,687,829</u>
CAPITAL AND RESERVES				
Called up share capital	9	93	-	93
Share premium	10	99,999	-	99,999
Capital redemption reserve	11	12	-	12
Other reserves		122,900	-	122,900
Retained earnings	12	<u>16,464,825</u>	<u>-</u>	<u>16,464,825</u>
SHAREHOLDERS' FUNDS		<u>16,687,829</u>	<u>-</u>	<u>16,687,829</u>

The notes form part of these financial statements

Cambridge Commodities Limited

**Reconciliation of Profit
for the Year Ended 30 November 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	28,146,961	-	28,146,961
Cost of sales	<u>(19,681,003)</u>	-	<u>(19,681,003)</u>
GROSS PROFIT	8,465,958	-	8,465,958
Administrative expenses	(3,808,532)	-	(3,808,532)
Other operating income	275,066	-	275,066
	<u> </u>	<u> </u>	<u> </u>
OPERATING PROFIT	4,932,492	-	4,932,492
Interest receivable and similar income	6,826	-	6,826
Amounts written off investments	(71,743)	-	(71,743)
Interest payable and similar expenses	<u>(92,293)</u>	-	<u>(92,293)</u>
	<u> </u>	<u> </u>	<u> </u>
PROFIT BEFORE TAXATION	4,775,282	-	4,775,282
Tax on profit	<u>(759,862)</u>	-	<u>(759,862)</u>
	<u> </u>	<u> </u>	<u> </u>
PROFIT FOR THE FINANCIAL YEAR	<u>4,015,420</u>	-	<u>4,015,420</u>

The notes form part of these financial statements