

James Mackle Limited

Consolidated financial statements for the year ended 31 August 2020

Registered no: NI019644



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Directors and advisers

Directors

Michael Mackle
Winefride Mackle

Secretary

Winefride Mackle

Registered office

99 Portadown Road
Moy
Dungannon
Co Tyrone

Solicitors

R M Cullen & Son
16 – 20 Edward Street
Portadown
Co Armagh

Bankers

Danske Bank
45-48 High Street
Portadown
BT62 1LB

Registered auditors

ASM (D) Ltd
79 Cunninghams Lane
Dungannon
BT71 6BX



Strategic report

The directors present their strategic report for the year ended 31 August 2020.

Review of business and future developments

The consolidated profit and loss account for the year is set out on page 8.

In general, the results for the year were as expected and show the growth achieved in a period of rising raw material prices. The year end financial position was satisfactory. The group continues to grow its Cider Vinegar sales and the investment programme to expand the production capacity in this area continues. Competition is expected to continue to have a downward impact upon sale prices although overall the outlook for the current year is encouraging.

Financial risk management objectives and policies

The group's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk, foreign exchange risk and liquidity risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance cost. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

While the Covid-19 pandemic continues to create some additional uncertainty in the forthcoming year it is not expected to have a significant immediate impact on the company's operations. This remains under review and the directors are aware that this may change. The directors have put measures in place to address the Covid-19 pandemic by making use of the various support mechanisms instigated by the UK government including the Coronavirus Job Retention Scheme. The parent company have also taken measures to ensure an extended bank facility is in place should such support become necessary.

Price risk

The group is exposed to some commodity price risk as a result of its operations. However, costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature. The group has no exposure to equity securities price risk as it holds no listed investments.

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made.

Foreign exchange risk

The group is exposed to foreign exchange risk in the normal course of business, principally on sales into the Euro zone. The group's position with regard to its foreign exchange exposure and the use of any financial instruments or hedging mechanisms to deal with this is kept under review by the directors.



Strategic report (cont'd)

Liquidity risk

The group actively monitors the need for long-term and short-term debt finance in a manner that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Dividends

Interim dividends of £87,504 were paid in the year (2019: £87,504) and the directors do not recommend the payment of a final dividend.

Directors

The directors of the company during the year are shown on page 1.

By the order of the board


Michael Mackle
Director

28 May 2021

Directors' report

The directors present their report and the audited consolidated financial statements for the year ended 31 August 2020.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' 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 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.

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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as the directors are aware there is no relevant audit information of which the group's auditors are unaware. We have taken all the steps that we ought to have taken as directors in order to make us aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Other matters prescribed by the Companies Act 2006

Other matters required to be reported on within the Directors' report under section 416(4) Companies Act 2006, being details of directors and dividends, have been included within the Strategic report for the year.

Auditors

ASM (D) Ltd has expressed their willingness to continue as auditors for the next financial year.

By the order of the board


Michael Mackle
Director

28 May 2021



Independent auditors' report to the members of James Mackle Limited

Opinion

We have audited the financial statements of James Mackle Limited for the year ended 31 August 2020 which comprise the Group profit and loss account, the Group statement of comprehensive income, the Group and Parent company balance sheets, the Group and Parent statement of changes in equity, the Group cash flow statement and the related notes including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 August 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report to the members of James Mackle Limited (cont'd)

Other information

The other information comprises the information included in the Directors' report and financial statements, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit we have not identified any material misstatements in the Strategic report and the Directors' report.

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.

Responsibilities of directors

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



Independent auditors' report to the members of James Mackle Limited (cont'd)

Responsibilities of directors (cont'd)

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Alistair Cooke

Alistair Cooke FCA (Senior Statutory Auditor)
for and on behalf of ASM (D) Ltd
Chartered Accountants and Statutory Auditors

Dungannon

28 May 2021



Consolidated profit and loss account

	Notes	2020 £	2019 £
Turnover	4	6,360,580	5,729,199
Cost of sales		<u>(5,038,772)</u>	<u>(4,517,108)</u>
Gross profit		1,321,808	1,212,091
Administrative expenses		(1,101,991)	(1,155,537)
Other operating income		<u>30,368</u>	<u>7,605</u>
Operating profit	5	250,185	64,159
Rents receivable		<u>38,302</u>	<u>22,950</u>
Profit on ordinary activities before interest		288,487	87,109
Interest receivable and similar income	8	3,096	761
Interest payable and similar charges	9	<u>(4,478)</u>	<u>(5,726)</u>
Profit on ordinary activities before taxation		287,105	82,144
Taxation	10	<u>(45,558)</u>	<u>(24,062)</u>
Profit/(loss) for the year		<u>241,547</u>	<u>58,082</u>

Consolidated statement of comprehensive income

	2020 £	2019 £
Profit for the financial year	241,547	58,082
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>241,547</u>	<u>58,082</u>

All amounts above relate to the continuing operations of the group.


The notes on pages 13 to 25 form part of these financial statements.



Balance sheets

	Notes	Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Tangible fixed assets	13	5,819,746	5,507,999	1,093,491	1,085,274
Investments	14	-	-	100	100
		<u>5,819,746</u>	<u>5,507,999</u>	<u>1,093,591</u>	<u>1,085,374</u>
Current assets					
Stocks	15	608,584	534,389	253,928	217,289
Debtors	16	1,127,882	1,067,777	3,232,118	3,104,993
Cash at bank and in hand		<u>347,825</u>	<u>685,427</u>	<u>138,749</u>	<u>380,748</u>
		<u>2,084,291</u>	<u>2,287,593</u>	<u>3,624,795</u>	<u>3,703,030</u>
Creditors: amounts falling due within one year	17	<u>(551,473)</u>	<u>(903,215)</u>	<u>(355,543)</u>	<u>(455,228)</u>
Net current assets		<u>1,532,819</u>	<u>1,384,378</u>	<u>3,269,252</u>	<u>3,247,802</u>
Total assets less current liabilities		<u>7,352,565</u>	<u>6,892,377</u>	<u>4,362,843</u>	<u>4,333,176</u>
Creditors: amounts falling due after one year	18	<u>(20,432)</u>	<u>(36,733)</u>	<u>-</u>	<u>(537)</u>
Provisions for liabilities	21	<u>(197,604)</u>	<u>(178,264)</u>	<u>(79,068)</u>	<u>(93,169)</u>
Accruals and deferred income	22	<u>(388,673)</u>	<u>(85,567)</u>	<u>(76,378)</u>	<u>(85,567)</u>
Net assets		<u>6,745,856</u>	<u>6,591,813</u>	<u>4,207,397</u>	<u>4,153,903</u>
Capital and reserves					
Share capital	23	2,100	2,100	2,100	2,100
Reserves	24	<u>6,743,756</u>	<u>6,589,713</u>	<u>4,205,297</u>	<u>4,151,803</u>
Equity shareholders' funds		<u>6,745,856</u>	<u>6,591,813</u>	<u>4,207,397</u>	<u>4,153,903</u>

These financial statements for James Mackle Limited (NI019644) were approved by the board of directors and authorised for issue on 28 May 2021 and signed on its behalf by:


Michael Mackle
Director

The notes on pages 13 to 25 form part of these financial statements.



Consolidated statement of changes in equity

Group

	Share capital £	Profit and loss reserve £	Total equity £
At 1 September 2018	2,100	6,619,135	6,621,235
Profit for the year	-	58,082	58,082
Other comprehensive income	-	-	-
Total comprehensive income	-	58,082	58,082
Dividends paid on equity shares	-	(87,504)	(87,504)
At 31 August 2019	2,100	6,589,713	6,591,813
At 1 September 2019	2,100	6,589,713	6,591,813
Profit for the year	-	241,547	241,547
Other comprehensive income	-	-	-
Total comprehensive income	-	241,547	241,547
Dividends paid on equity shares	-	(87,504)	(87,504)
At 31 August 2020	2,100	6,743,756	6,745,856

All amounts above are attributable to the equity shareholders of the group.

The notes on pages 13 to 25 form part of these financial statements.



Consolidated statement of changes in equity

Company

	Share capital £	Profit and loss reserve £	Total equity £
As at 1 September 2018	<u>2,100</u>	<u>4,115,970</u>	<u>4,118,070</u>
Profit for the year	-	123,337	123,337
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>123,337</u>	<u>123,337</u>
Dividends paid on equity shares	-	(87,504)	(87,504)
At 31 August 2019	<u>2,100</u>	<u>4,151,803</u>	<u>4,153,903</u>
As at 1 September 2019	<u>2,100</u>	<u>4,151,803</u>	<u>4,153,903</u>
Profit for the year	-	140,998	140,998
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>140,998</u>	<u>140,998</u>
Dividends paid on equity shares	-	(87,504)	(87,504)
At 31 August 2020	<u>2,100</u>	<u>4,205,297</u>	<u>4,207,397</u>

All amounts above are attributable to the equity shareholders of the company.

The notes on pages 13 to 25 form part of these financial statements.



Consolidated cash flow statement

	Notes	2020 £	2019 £
Cash flow generated from operating activities	25	108,834	482,186
Tax paid		-	-
Net cash flow from operating activities		108,534	482,186
Cash flow from investing activities			
Interest received		63	761
Purchase of tangible fixed assets		(691,461)	(652,558)
Capital grants receivable		337,244	37,851
Sale proceeds of tangible fixed assets		-	21,350
Net cash flow from investing activities		(354,154)	(592,596)
Cash flow from financing activities			
Interest paid		(4,478)	(1,353)
Equity dividends paid		(87,504)	(87,504)
Net cash flow from financing activities		(91,982)	(88,857)
Net increase/(decrease) in cash and cash equivalents	25	(337,602)	(199,267)
Cash and cash equivalents at 1 September		685,427	884,694
Cash and cash equivalents at 31 August	25	347,825	685,427

The notes on pages 13 to 25 form part of these financial statements.



Notes to the financial statements

1. Principal accounting policies

Statement of compliance

The group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the group for the year ended 31 August 2020.

General information and basis of preparation

James Mackle Limited is a company incorporated in Northern Ireland under the United Kingdom Companies Act. The address of the registered office is given on page 1. The principal activities of the group are that of processing and marketing fruit.

The financial statements have been prepared in accordance with applicable accounting standards. A summary of the more important policies, which have been applied consistently, is set out below. The financial statements are prepared in sterling which is the functional currency of the group. The financial statements are rounded to the nearest £1.

Tangible fixed assets

Fixed assets are stated at their purchase cost, together with any incidental costs of acquisition, less accumulated depreciation.

Depreciation is calculated so as to write off the costs of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold buildings	2-6
Plant and machinery	10
Motor vehicles	20
Fixtures and fittings	10

The cost of freehold land is not depreciated.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis. Net realisable value is based on normal selling price less further costs expected to be incurred to completion and disposal.

Notes to the financial statements (cont'd)

1. Principal accounting policies (cont'd)

Impairment of non-financial assets

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates, the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the profit and loss account.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Short-term debtors and creditors

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 operating expenses.

Leases

Where assets have been acquired under finance leases, the obligations to the lessor are shown as part of borrowings and the rights in the corresponding assets are treated in the same way as owned fixed assets. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to legal title.

Assets acquired under hire purchase contracts are capitalised based on the purchase price of the assets. Depreciation is provided on the same basis as for owned assets. The interest element of the hire purchase payment is charged to the profit and loss account over the period of the contract.

The capital value of hire purchase assets are included in the balance sheet as a liability, reduced by the capital element of the hire purchase payments.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Revenue grants are credited to the profit and loss account in the same year as the related expenditure is incurred.

Notes to the financial statements (cont'd)

1. Principal accounting policies (cont'd)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Investment income

Income from deposits is included in the profit and loss account on an accruals basis.

Research & development expenditure

Research and development expenditure is written off as incurred.

Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, as reduced by the tax benefit of any accumulated losses, is treated as a deferred tax liability.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Pension scheme arrangements

The company operates a defined contribution scheme for certain employees and a separate scheme for the directors. The assets of the scheme are held separately from those of the company in an independently administered fund, and contributions are charged to profit and loss account in the period to which they relate.

Short term employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.



Notes to the financial statements (cont'd)

1. Principal accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Parent company profit/ (loss) account

The company is exempt from publishing its profit and loss account.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the company's accounting policies

During the current and preceding financial years the directors believe they have not made any critical judgements in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

During the current and preceding financial years the directors believe there are not any key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Going concern

The group made a profit of £241,547 during the year ended 31 August 2020, and at that date, the group's assets exceeded its liabilities by £6,745,856.

The directors, after making enquiries, have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in the preparation of the financial statements.

Notes to the financial statements (cont'd)

4. Turnover

No analysis of turnover by activity or geographical area has been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the group.

5. Operating profit

	2020 £	2019 £
Operating profit is stated after charging/(crediting):		
Depreciation		
- owned assets	365,195	318,134
- under hire purchase contracts	14,519	18,234
Amortisation of government grants	(9,189)	(5,404)
(Profit)/loss on disposal of tangible fixed assets	-	2,662
Auditors' remuneration	13,500	13,330
R & D expenditure	68,662	-

6. Director's remuneration

	2020 £	2019 £
Salaries (including benefits in kind)	<u>22,941</u>	<u>24,757</u>

7. Employee information

The average number of persons (including executive directors) employed by the group during the year was:

	2020 Number	2019 Number
By activity		
Production	48	45
Selling and distribution	4	5
Administrative	6	6
	<u>58</u>	<u>56</u>
	2020 £	2019 £
Staff costs (for the above persons)		
Wages and salaries	1,300,621	1,281,143
Social security costs	119,135	106,936
Pension costs	39,182	33,014
	<u>1,458,938</u>	<u>1,421,093</u>



Notes to the financial statements (cont'd)

8. Interest receivable and similar income

	2020	2019
	£	£
Bank interest receivable	63	761
Foreign exchange gain	3,033	-
	<u>3,096</u>	<u>761</u>

9. Interest payable and similar charges

	2020	2019
	£	£
On bank overdrafts	2,440	-
On hire purchase agreements	2,038	1,353
Loss on foreign exchange	-	4,373
	<u>4,478</u>	<u>5,726</u>

10. Taxation

	2020	2019
	£	£
United Kingdom corporation tax at 9% (2019: nil%)		
Current	26,218	-
Deferred tax		
Origination and reversal of timing differences	19,340	24,062
	<u>45,558</u>	<u>24,062</u>

11. Factors affecting the tax charge for the year

The tax assessed for the period is lower than the standard rate of corporation tax in the United Kingdom 19% (2019: 19%). The difference is explained as follows:

	2020	2019
	£	£
Profit on ordinary activities before tax	287,105	82,144
Profit on ordinary activities by the standard rate of UK corporation tax of 19% (2019: 19%)	54,550	15,608
Effects of:		
expenses not deductible for tax purposes	187	7,933
depreciation on non qualifying assets	7,782	34
losses carried forward or utilised	-	(58)
underprovision in current year	-	545
R&D enhanced tax relief	(16,961)	-
	<u>45,558</u>	<u>24,062</u>



Notes to the financial statements (cont'd)

12. Profit for the year

James Mackle Limited has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The amount of the profit for the financial year dealt with in the financial statements of the parent company is £140,998.

13. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 September 2019	4,865,098	5,763,314	156,041	358,527	11,142,980
Additions	214,853	464,712	11,896	-	691,461
At 31 August 2020	5,079,951	6,228,026	167,937	358,527	11,834,441
Depreciation					
At 1 September 2019	914,612	4,332,457	113,258	274,654	5,634,981
Charge for the year	46,302	289,698	9,039	34,675	379,714
At 31 August 2020	960,914	4,622,155	122,297	309,329	6,014,695
Net book value					
At 31 August 2020	4,119,037	1,605,871	45,460	49,198	5,819,746
At 31 August 2019	3,950,486	1,430,857	42,783	83,873	5,507,999

The net book value of tangible fixed assets includes amount of £29,040 (2019: £76,954) in respect of assets held under hire purchase agreements.

Notes to the financial statements (cont'd)

13. Tangible fixed assets (cont'd)

Company

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 September 2019	922,442	2,444,697	227,730	127,836	3,722,705
Additions	111,384	5,689	-	4,813	121,886
At 31 August 2020	1,033,826	2,450,386	227,730	132,649	3,844,591
Depreciation					
At 1 September 2019	511,198	1,847,939	187,416	90,878	2,637,431
Charge for the year	-	87,273	20,156	6,240	113,669
At 31 August 2020	511,198	1,935,212	207,572	97,118	2,751,100
Net book value					
At 31 August 2020	522,628	515,174	20,158	35,531	1,093,491
At 31 August 2019	411,244	596,758	40,314	36,958	1,085,274

14. Investments

Group

The group held no external investments in the current or previous year.

Company

	2020 £	2019 £
Unlisted investments	100	100

Interests in group undertakings

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held	
			Group %	Company %
James Mackle (UK) Limited	England	£1 ordinary	100	100

The principal business activity of James Mackle (UK) Limited is that of the processing and marketing of fruit.

Investments in group undertakings do not include any investments listed on a recognised stock exchange.



Notes to the financial statements (cont'd)

15. Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	546,708	408,114	206,208	167,320
Finished goods for resale	61,876	126,275	47,720	49,969
	<u>608,584</u>	<u>534,389</u>	<u>253,928</u>	<u>217,289</u>

16. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,004,850	881,171	568,628	394,464
Prepayments and accrued income	123,032	148,755	59,911	85,825
Other debtors	-	37,851	-	37,851
Amounts owed by group undertakings	-	-	2,603,579	2,586,853
	<u>1,127,882</u>	<u>1,067,777</u>	<u>3,232,118</u>	<u>3,104,993</u>

17. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Other loans (note 19)	537	6,444	537	6,444
Trade creditors	195,036	330,295	116,244	193,166
Corporation tax	26,218	-	26,218	-
Other taxes and social security	29,735	24,435	13,393	11,194
Obligations under hire purchase agreements (note 20)	15,764	24,097	-	-
Accruals and deferred income	270,079	497,965	185,047	224,445
Other creditors	14,104	19,979	14,104	19,979
	<u>551,473</u>	<u>903,215</u>	<u>355,543</u>	<u>455,228</u>

Obligations under hire purchase contracts are secured on the assets for which the finance was originally obtained.



Notes to the financial statements (cont'd)

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Other loans (note 19)	-	537	-	537
Obligations under hire purchase agreements (note 20)	20,432	36,196	-	-
	<u>20,432</u>	<u>36,733</u>	<u>-</u>	<u>537</u>

19. Other loans

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Loan obligations fall due as follows:				
In one year or less	537	6,444	537	6,444
From one to five years	-	537	-	537
	<u>537</u>	<u>6,981</u>	<u>537</u>	<u>6,981</u>

20. Obligations under hire purchase agreements

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Hire purchase obligations fall due as follows:				
In one year or less	15,764	24,097	-	-
From one to five years	20,432	36,196	-	-
	<u>36,196</u>	<u>60,293</u>	<u>-</u>	<u>-</u>

21. Provisions for liabilities

Deferred taxation

Group	2020	2019
	£	£
Accelerated capital allowances	<u>197,604</u>	<u>178,264</u>
Movement in the provision during the year		£
At 1 September 2019		178,264
Transfer from profit and loss account (note 10)		<u>19,340</u>
At 31 August 2020		<u>197,604</u>



Notes to the financial statements (cont'd)

21. Provisions for liabilities (cont'd)

Company	2020 £	2019 £
Accelerated capital allowances	<u>79,068</u>	<u>93,169</u>
Movement in the provision during the year		£
At 1 September 2019		93,169
Transfer from profit and loss account		<u>(14,101)</u>
At 31 August 2020		<u>79,068</u>

22. Accruals and deferred income

Group	2020 £	2019 £
Government grants		
At 1 September 2019	85,567	53,120
Amounts receivable in the year	337,244	37,851
Amortisation in the year	<u>(34,138)</u>	<u>(5,404)</u>
At 31 August 2020	<u>(388,673)</u>	<u>85,567</u>
Company	2020 £	2019 £
Government grants		
At 1 September 2019	85,567	53,120
Amounts receivable in the year	-	37,851
Amortisation in the year	<u>(9,189)</u>	<u>(5,404)</u>
At 31 August 2020	<u>76,378</u>	<u>85,567</u>

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,050 A ordinary shares of £1 each	1,050	1,050
1,050 B ordinary shares of £1 each	<u>1,050</u>	<u>1,050</u>
	<u>2,100</u>	<u>2,100</u>



Notes to the financial statements (cont'd)

24. Reserves

Profit and loss account

This reserve records cumulative profits or losses, net of dividends paid. This reserve is distributable in full.

25. Cash flow statement

	2020 £	2019 £
Reconciliation of operating profit/(loss) to net cash flow from operating activities		
Operating profit/(loss)	250,185	64,159
Depreciation on tangible fixed assets	379,714	336,368
Loss/(profit) on disposal	-	2,662
Deferred credit	(34,138)	(5,404)
Rent received	38,302	22,950
Foreign exchange movement	3,033	(4,373)
(Increase)/decrease in stock	(74,195)	(124,210)
(Increase)/decrease in debtors	(60,106)	156,271
Increase/(decrease) in creditors	(394,261)	33,763
Cash flow from operating activities	108,534	482,186

	2020 £	Cash flow £	2019 £
Cash and cash equivalents comprise the following:			
Cash at bank and in hand	347,825	(337,602)	685,427

26. Pension commitments

The group makes contributions to defined contribution schemes, the assets of the schemes being held separately from the assets of the group. The pension cost charge represents contributions payable to the schemes and amounted to £39,182 (2019: £33,014). No contributions were payable to the scheme at the year end.

27. Ultimate controlling party

The ultimate controlling party is Mr Michael Mackle.



Notes to the financial statements (cont'd)

28. Subsidiary undertakings

Name of subsidiary	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held	Accounting year end
James Mackle (UK) Limited	England	Ordinary £1 shares	100%	31 August

James Mackle (UK) Limited's principal activity is that of the processing and marketing of fruit.

The results of this company for the year ended 31 August 2020 are included in these consolidated financial statements.