

James Fleming & Company Limited

Registered number: SC131587

Annual Report

For the year ended 31 December 2022



JAMES FLEMING & COMPANY LIMITED

COMPANY INFORMATION

Directors

D R Amos
S H P Van Wouwe

Company secretary

N I Udagama Durayalage (appointed 16 August 2023)

Registered number

SC131587

Registered office

Mazars LLP
100 Queen Street
Glasgow
G1 3DN

Independent auditor

Mazars LLP
Chartered Accountants & Statutory Auditor
Capital Square
58 Morrison Street
Edinburgh
EH3 8BP

JAMES FLEMING & COMPANY LIMITED

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JAMES FLEMING & COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Directors present their Strategic report for James Fleming & Company Limited for the year ended 31 December 2022.

Principal activity

The Company's principal activity during the year was that of the manufacture of fruit-based food products for sale to the bakery, wholesale and confectionery industries.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company include amongst others:

- Possible fluctuations in the price and availability of raw materials
- Foreign currency exposure to the Euro
- War in Ukraine - impact to supply chain
- Labour shortage / wage inflation
- Cost of living and energy crisis

Possible fluctuations in price and availability of raw materials

Possible fluctuations in price and availability have continued to be a major issue especially for key ingredients including sugar.

War in Ukraine

The war in Ukraine continues to impact the supply chain in terms of fluctuations in price and availability of raw materials.

Labour shortage

During 2022, there was a significant shortage of labour especially for production and semi-skilled roles, this led to significant wage inflation during the year.

Cost of living and energy crisis

The cost of living crisis has led management to revisit the remuneration policy for colleagues. The energy crisis impacted both the business and colleagues, this has been subject to major focus in the business and is monitored closely.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

The Company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

JAMES FLEMING & COMPANY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in commodity prices, exchange rate, liquidity and credit. The Company seeks to limit the adverse effects on its financial performance by monitoring the impact of these and addressing them accordingly.

Financial key performance indicators

The Company generated revenue of £36,175,141 in the year to 31 December 2022. Revenue has increased by 31% against prior year (£27,613,403), which is predominantly due to growth by acquisition. The gross profit margin in the year was 11%, which has decreased from 19% in the prior year due to the combined impact of transitional sales arrangements following an acquisition, soaked fruit sales with a relatively low margin, and a significant increase in cost of labour and raw materials during 2022.


2022 has been a challenging year with many unforeseen events in the external environment. These included the war in Ukraine, the global energy crisis, inflation and cost of living crisis, a significant increase in fuel prices and the haulage issues. As a result of these issues, the Company incurred a loss after tax of £1,166,607 for the year ended 31 December 2022.

At 31 December 2022, the Company had capital and reserves of £6,420,648 (2021 - £9,349,255).

Outlook and future developments

The Company will continually look for growth opportunities and remain flexible and innovative to meet future consumer demands. The current trading environment remains, to say the least, difficult and focus must firmly be on operational efficiencies, tight cost control, cash management and customer service.

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


David Amos (Sep 19, 2023 11:06 GMT+1)

D R Amos
Director

Date: Sep 19, 2023

JAMES FLEMING & COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgements 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £1,166,607 (2021 - profit of £1,607,880).

Dividends of £1,762,000 (2021 - £210,000) were declared and paid during the year to the Parent Company.

Directors

The Directors who served during the year were:

D R Amos

L H B Lockfeer (resigned 16 August 2023)

S H P Van Wouwe (appointed 16 August 2023)

Strategic report

The Company has chosen, in accordance with section 414C(11) Companies Act 2006, to set out in the Company's Strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' report. It has done so in respect of principal risks and uncertainties, financial risk management, financial key performance indicators and outlook and future developments.

Research and development activities

The Company carries out research and development activities in relation to its principal activity noted on page 1.

JAMES FLEMING & COMPANY LIMITED

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

Disclosure of information to auditors


Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


David Amos (Sep 19, 2023 11:06 GMT+1)

D R Amos
Director

Date: Sep 19, 2023

JAMES FLEMING & COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES FLEMING & COMPANY LIMITED

Opinion

We have audited the financial statements of James Fleming & Company Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 when the financial statements are authorised for issue.

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

JAMES FLEMING & COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES FLEMING & COMPANY LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, 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.

JAMES FLEMING & COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES FLEMING & COMPANY LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, food safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

JAMES FLEMING & COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES FLEMING & COMPANY LIMITED

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to goodwill and other intangible fixed assets, revenue recognition (which we have pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Use of the audit report

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



Anna Campbell (Sep 22, 2023 11:24 GMT+1)

Anna Campbell (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Capital Square
Edinburgh
EH3 8BP

Date: Sep 22, 2023

JAMES FLEMING & COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	36,175,141	27,613,403
Cost of sales		(32,123,592)	(22,348,978)
Gross profit		4,051,549	5,264,425
Distribution costs		(2,835,579)	(1,971,275)
Administrative expenses		(2,593,888)	(1,245,523)
Other operating income	5	-	34,431
Operating (loss)/profit	6	(1,377,918)	2,082,058
Interest receivable and similar income	10	6,315	219
Interest payable and similar expenses	11	(319,189)	(18,702)
(Loss)/profit before tax		(1,690,792)	2,063,575
Tax on (loss)/profit	12	524,185	(455,695)
(Loss)/profit for the financial year		(1,166,607)	1,607,880

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


The notes on pages 12 to 30 form part of these financial statements.

JAMES FLEMING & COMPANY LIMITED
REGISTERED NUMBER: SC131587

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	14	5,149,630	5,159,749
Tangible fixed assets	15	7,617,513	4,535,907
Investments	16	100,000	100,000
		<u>12,867,143</u>	<u>9,795,656</u>
Current assets			
Stocks	17	5,467,131	3,787,232
Debtors: amounts falling due within one year	18	10,530,176	8,599,932
Cash and cash equivalents	19	3,086,369	2,710,606
		<u>19,083,676</u>	<u>15,097,770</u>
Creditors: amounts falling due within one year	20	(14,480,171)	(15,142,103)
Net current assets/(liabilities)		<u>4,603,505</u>	<u>(44,333)</u>
Total assets less current liabilities		<u>17,470,648</u>	<u>9,751,323</u>
Creditors: amounts falling due after more than one year	21	(11,050,000)	-
Provisions for liabilities			
Deferred tax	23	-	(402,068)
		<u>-</u>	<u>(402,068)</u>
Net assets		<u><u>6,420,648</u></u>	<u><u>9,349,255</u></u>
Capital and reserves			
Called up share capital	24	3,500,000	3,500,000
Profit and loss account	25	2,920,648	5,849,255
		<u><u>6,420,648</u></u>	<u><u>9,349,255</u></u>

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


David Amos (Sep 19, 2023 11:06 GMT+1)

D R Amos
Director

Date: Sep 19, 2023

The notes on pages 12 to 30 form part of these financial statements.

JAMES FLEMING & COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	3,500,000	5,849,255	9,349,255
Loss for the year	-	(1,166,607)	(1,166,607)
Transactions with owners			
Dividends declared	-	(1,762,000)	(1,762,000)
At 31 December 2022	3,500,000	2,920,648	6,420,648

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	3,500,000	4,451,375	7,951,375
Profit for the year	-	1,607,880	1,607,880
Transactions with owners			
Dividends declared	-	(210,000)	(210,000)
At 31 December 2021	3,500,000	5,849,255	9,349,255

The notes on pages 12 to 30 form part of these financial statements.

JAMES FLEMING & COMPANY LIMITED

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

1. General information

James Fleming & Company Limited is a private company, limited by shares and registered in Scotland. The registered office is Mazars LLP, 100 Queen Street, Glasgow, G1 3DN. The Company's principal place of business is located at Lockett Road, South Lancashire Industrial Estate, Ashton-in-Makerfield, Wigan, Lancashire, WN4 8DE. The Company's registered number is SC131587.

The Company's principal activity during the year was that of the manufacture of fruit-based food products for sale to the bakery, wholesale and confectionery industries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 405(2) of the Companies Act 2006 as the inclusion of the results of its subsidiary undertaking is not deemed to be material for the purpose of giving a true and fair view. The subsidiary undertaking has therefore been excluded from consolidation and are included in fixed asset investments.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information will be included in the consolidated financial statements of Koninklijke Zeelandia Groep B.V. as at 31 December 2022 and these financial statements may be obtained from Chamber of Commerce, Kanaalweg 3, 4337 PA Middelburg, The Netherlands.

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The war in Ukraine, the global energy crisis, inflation and cost of living crisis, a significant increase in fuel prices and the haulage issues have had significant implications for the industry as a whole. The Company assessed the impact of these events and actions were taken to mitigate the impact. In making their assessment, the Directors have prepared and reviewed budgets and cash flow forecasts on a prudent basis. Koninklijke Zeelandia Groep B.V., the ultimate parent undertaking, has pledged to provide ongoing financial support to the Company as required. In light of this, the Directors consider that the Company has sufficient resources to continue to trade and meet its liabilities as they fall due for a period of at least twelve months from the date the financial statements are signed.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and amounts are rounded to the nearest £.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

2. Accounting policies (continued)

2.6 Operating leases: lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.7 Research and development

Research and development costs are recognised as an expense when incurred.

2.8 Government grants

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

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in Statement of Comprehensive Income using the effective interest method.

2.10 Finance costs

Finance costs are charged to Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.12 Pensions

The Company makes payments to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund in respect of the year.

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

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

JAMES FLEMING & COMPANY LIMITED

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

2. Accounting policies (continued)**2.15 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Land is not depreciated. Assets under the course of construction are not depreciated until they come into use, at which point they are transferred to the fixed asset category to which they relate.

Depreciation is provided on the following basis:

Buildings	- 2%
Plant and equipment	- 10 - 20%
Motor vehicles	- 50%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

2. Accounting policies (continued)

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.22 Dividends

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

JAMES FLEMING & COMPANY LIMITED

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

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

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amount of the 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 account for estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Directors have performed an impairment review of the Company's goodwill and other intangible fixed assets with no issues arising. No amortisation has been charged in the year in relation to these assets as the business combination was still being implemented at the reporting date. The Directors do not consider there to be any further significant judgements, estimates or assumptions made in preparing the financial statements.

4. Turnover

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	30,450,199	25,604,131
Rest of Europe	5,724,942	2,009,272
	<u>36,175,141</u>	<u>27,613,403</u>

The whole of the turnover in the current and prior year is attributable to the sale of sugar based food products to the bakery, wholesale and confectionery industries.

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	34,431
	<u>-</u>	<u>34,431</u>

JAMES FLEMING & COMPANY LIMITED

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

6. Operating (loss)/profit

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

	2022	2021
	£	£
Research and development costs	16,996	43,820
Exchange differences	286,840	(200,344)
Operating lease rentals	120,000	156,472
Depreciation	287,928	237,992
Amortisation	10,119	4,126
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	30,000	25,000
	<u> </u>	<u> </u>
All other services	3,050	3,050
	<u> </u>	<u> </u>

JAMES FLEMING & COMPANY LIMITED

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

8. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	4,546,153	2,868,030
Social security costs	388,593	238,746
Cost of defined contribution pension scheme	160,962	114,077
	<u>5,095,708</u>	<u>3,220,853</u>

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

	2022 No.	2021 No.
Manufacturing	129	95
Selling	7	2
Administration	15	9
	<u>151</u>	<u>106</u>

9. Directors' remuneration

The Directors received no remuneration in the current or prior year. They are remunerated through other group undertakings.

10. Interest receivable and similar income

	2022 £	2021 £
Bank interest receivable	<u>6,315</u>	<u>219</u>

JAMES FLEMING & COMPANY LIMITED

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

11. Interest payable and similar expenses

	2022 £	2021 £
Bank loan interest payable	259,464	-
Group interest payable	59,725	16,106
Other interest payable	-	2,596
	<u>319,189</u>	<u>18,702</u>

The group interest payable relates to interest paid on a loan due to the Company's ultimate parent undertaking - see note 20 for further details.

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	154,168
Adjustments in respect of previous periods	27,483	(8,057)
Total current tax	<u>27,483</u>	<u>146,111</u>
Deferred tax		
Origination and reversal of timing differences	(391,576)	228,660
Adjustments in respect of prior periods	(36,435)	(15,572)
Effect of changes in tax rates	(123,657)	96,496
Total deferred tax	<u>(551,668)</u>	<u>309,584</u>
Taxation on (loss)/profit on ordinary activities	<u>(524,185)</u>	<u>455,695</u>

JAMES FLEMING & COMPANY LIMITED

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

12. Taxation (continued)**Factors affecting tax charge for the year**

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

	2022 £	2021 £
(Loss)/profit on ordinary activities before tax	(1,690,792)	2,063,576
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(321,250)	392,231
Effects of:		
Expenses not deductible for tax purposes	19,526	18,633
Income not taxable	(89,854)	(19,377)
Adjustments to tax charge in respect of prior periods	(8,952)	(23,629)
Group relief	-	(8,659)
Tax rate changes	(123,655)	96,496
Total tax (credit)/charge for the year	(524,185)	455,695

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom would increase from 19% to 25%. Companies with profits of £50,000 or less would continue to be taxed at 19%, which was a new small profits rate. Where taxable profits were between £50,000 and £250,000, the higher 25% rate would apply but with a marginal relief applying as profits increased. Deferred tax is provided for at 25% as that was the substantively enacted rate at the reporting date.

Aside from this and the availability of group relief, there are no other factors that may affect future tax charges.

13. Dividends

	2022 £	2021 £
Dividends declared	1,762,000	210,000

JAMES FLEMING & COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Intangible fixed assets

	Computer software £	Brands £	Goodwill £	Total £
Cost				
At 1 January 2022	50,599	433,361	4,679,915	5,163,875
At 31 December 2022	50,599	433,361	4,679,915	5,163,875
Amortisation				
At 1 January 2022	4,126	-	-	4,126
Charge for the year	10,119	-	-	10,119
At 31 December 2022	14,245	-	-	14,245
Net book value				
At 31 December 2022	36,354	433,361	4,679,915	5,149,630
At 31 December 2021	46,473	433,361	4,679,915	5,159,749

The goodwill and brand name were acquired as part of the acquisition of certain businesses of Kerry Ingredients (UK) Ltd on 4 August 2021. No amortisation has been charged in the year in relation to these assets as the business combination was still being implemented at the reporting date.

The acquisition of these businesses is a part of the Company's ongoing strategic growth plan to increase its geographical presence and the brand name acquired is fundamental to the success of this acquisition.

JAMES FLEMING & COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Assets under the course of construction £	Total £
Cost					
At 1 January 2022	2,958,028	2,146,800	7,483	1,865,462	6,977,773
Additions	-	59,472	-	3,312,754	3,372,226
Disposals	-	-	(5,537)	-	(5,537)
Transfers between classes	2,900,124	1,751,272	-	(4,651,396)	-
At 31 December 2022	<u>5,858,152</u>	<u>3,957,544</u>	<u>1,946</u>	<u>526,820</u>	<u>10,344,462</u>
Depreciation					
At 1 January 2022	1,275,312	1,164,579	1,975	-	2,441,866
Charge for the year	52,508	233,063	2,357	-	287,928
Disposals	-	-	(2,845)	-	(2,845)
At 31 December 2022	<u>1,327,820</u>	<u>1,397,642</u>	<u>1,487</u>	<u>-</u>	<u>2,726,949</u>
Net book value					
At 31 December 2022	<u>4,530,332</u>	<u>2,559,902</u>	<u>459</u>	<u>526,820</u>	<u>7,617,513</u>
At 31 December 2021	<u>1,682,716</u>	<u>982,221</u>	<u>5,508</u>	<u>1,865,462</u>	<u>4,535,907</u>

Included within land and buildings is freehold land, which is not depreciated, of £338,351 (2021 - £338,351).

JAMES FLEMING & COMPANY LIMITED

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

16. Fixed asset investments

	Investment in subsidiary company £
Cost	
At 1 January 2022	100,000
At 31 December 2022	<u>100,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
W.T. Mather Limited	England and Wales	Ordinary	100%

W.T. Mather Limited is a dormant company and its registered office address is Lockett Road, Ashton-In-Makerfield, Wigan, Lancs, WN4 8DE.

17. Stocks

	2022 £	2021 £
Raw materials	3,680,230	2,821,431
Work in progress (goods to be sold)	-	4,225
Finished goods and goods for resale	1,786,901	961,576
	<u>5,467,131</u>	<u>3,787,232</u>

JAMES FLEMING & COMPANY LIMITED

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

18. Debtors

	2022 £	2021 £
Trade debtors	8,760,397	7,078,179
Amounts owed by group undertakings (note 30)	117,934	-
Other debtors	1,148,138	1,172,775
Prepayments and accrued income	354,107	348,978
Deferred taxation (note 23)	149,600	-
	<u>10,530,176</u>	<u>8,599,932</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

19. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>3,086,369</u>	<u>2,710,606</u>

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loan (note 22)	906,826	-
Trade creditors	5,326,184	5,102,604
Amounts owed to group undertakings (note 30)	5,959,319	5,968,424
Corporation tax	66,041	154,911
Other taxation and social security	139,266	109,137
Other creditors	1,093,973	2,605,186
Accruals and deferred income	988,562	1,201,841
	<u>14,480,171</u>	<u>15,142,103</u>

Amounts owed to group undertakings includes a loan of £5,672,780 (2021 - £5,756,533) from the ultimate parent undertaking. The loan is denominated in Euros. The loan is repayable on demand, with interest being charged at a rate of 0.7% per annum. The remaining amounts due to group undertakings are unsecured, interest free and repayable on demand.

The bank loan is secured by way of a fixed and floating charge over the assets of the Company.

JAMES FLEMING & COMPANY LIMITED

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

21. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loan (note 22)	11,050,000	-
	<u>11,050,000</u>	<u>-</u>

22. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loan	906,826	-
Amounts falling due 2-5 years		
Bank loan	11,050,000	-
	<u>11,956,826</u>	<u>-</u>

JAMES FLEMING & COMPANY LIMITED

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

23. Deferred taxation

	2022 £
At beginning of year	(402,068)
Charged to the Statement of Comprehensive Income	515,233
Adjustment in respect of prior years	36,435
At end of year	149,600

The deferred tax asset/(liability), which is calculated based on a tax rate of 25% (2021 - 25%), is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(848,632)	(411,766)
Tax losses carried forward	950,768	-
Short term timing differences	47,464	9,698
	149,600	(402,068)

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
3,500,000 (2021 - 3,500,000) Ordinary shares of £1 each	3,500,000	3,500,000

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

25. Reserves**Profit & loss account**

This reserve includes all current and prior period retained profits and losses net of dividends paid.

JAMES FLEMING & COMPANY LIMITED

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

26. Contingent liabilities

On 24 December 2018, the Company's immediate parent undertaking entered into a secured loan agreement with Lloyds Bank plc for a loan in the principal amount of £2,110,500 at a variable annual interest rate of 1.95% plus base rate. As at 31 December 2022, the outstanding balance was £NIL (2021 - £1,808,783). The obligation was secured by all of the assets of the immediate parent undertaking and was guaranteed jointly and severally by James Fleming & Company Limited and its subsidiary undertaking, W.T. Mather Limited. This loan has been fully repaid in March 2022 and the security has been discharged.

27. Pension commitments

The Company makes payments to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund in respect of the year.

The total pension charge in the year amounted to £160,962 (2021 - £114,077). Contributions totalling £22,783 (2021 - £18,734) were payable to the defined contribution pension scheme fund at the reporting date and are included in accruals and deferred income.

28. Commitments under operating leases

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

	2022 £	2021 £
Motor vehicles and other		
Not later than 1 year	68,071	96,472
Later than 1 year and not later than 5 years	33,368	101,440
	<u>101,439</u>	<u>197,912</u>
	2022 £	2021 £
Land and buildings		
Not later than 1 year	56,700	120,000
Later than 1 year and not later than 5 years	-	60,000
	<u>56,700</u>	<u>180,000</u>

29. Other financial commitments

At the reporting date, the Company had a commitment to purchase raw materials to the value of £7,934,531 (2021 - £4,153,546).

JAMES FLEMING & COMPANY LIMITED

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

30. Related party transactions

The Company has taken advantage of the exemption relating to the disclosure of related party transactions with other group undertakings conferred by FRS 102 on the grounds that it and the other companies are wholly owned subsidiaries of Koninklijke Zeelandia Groep B.V., the Company's ultimate parent undertaking during the year.

31. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Zeelandia Holdings (UK) Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking is Koninklijke Zeelandia Groep B.V., a company incorporated in The Netherlands. In the opinion of the directors, there is no ultimate controlling party.

The financial statements for Koninklijke Zeelandia Groep B.V. can be obtained from the Chamber of Commerce, Kanaalweg 3, 4337 PA Middelburg, The Netherlands. The largest and smallest group in which the results of the Company are consolidated is that headed by Koninklijke Zeelandia Groep B.V.