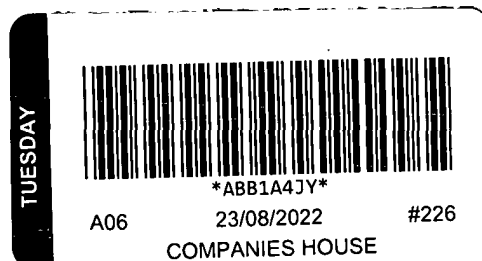


Company Registration No. 03590758 (England and Wales)

CAMBRIDGE COMMODITIES LIMITED

Annual report and financial statements

For the year ended 30 November 2021



CAMBRIDGE COMMODITIES LIMITED

COMPANY INFORMATION

Directors	Mr N Hammill Mr I Mitchell Mr S Mortimer Mr J Stevens Mr T Stevens
Secretary	Mrs L Stevens
Company number	03590758
Registered office	203 Lancaster Way Business Park Ely Cambridgeshire CB6 3NX
Auditor	Grant Thornton UK LLP 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY

CAMBRIDGE COMMODITIES LIMITED

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CAMBRIDGE COMMODITIES LIMITED

STRATEGIC REPORT

For the year ended 30 November 2021

The directors present the strategic report for the year ended 30 November 2021.

Principal activity and review of the business

The company is a wholly owned subsidiary within the Cambridge Commodities group of companies (the “group”). The group comprises of Cambridge Commodities Holdings Limited and its subsidiaries in the UK, USA and The Netherlands.

Cambridge Commodities Limited (the “company”) is a leading supplier of nutritional ingredients to the food & beverage, health and wellbeing, sports nutrition, and pet food industries. The company operates from the UK and EU and is focussed on growth in these two areas. The strategic focus remains on the sourcing of high-quality raw ingredients, the identification of new nutritional ingredients and the development of new applications and products incorporating these.

During the year revenue increased marginally from £54.7m to £55.3m. The company’s UK business increased by 6% but an 11% reduction in the company’s trade with the EU reduced growth overall. The reduction in business with the EU was caused by the non-tariff trade barriers, increased bureaucracy and red tape burden created by the EU-UK trade and Cooperation Agreement that came into effect on 1st of January 2021. Despite the issues experienced in 2021, the business has seen a recovery within the EU business in 2022 as the supply chain has adapted to the new rules and customer relationships are rebuilt.

In addition to the damaging effects of the EU-UK trade and Cooperation Agreement the company was impacted by historically high and volatile freight and logistics costs that increased by 75% from £2.4m to £4.2m in the year. As a result, the gross profit % reduced from 14.7% to 13.6%.

Throughout the first half of 2021 the company held back from passing on the increased freight and logistics costs to its customers on the basis that these increases were likely to be temporary. As it became clear that these increases were likely to remain over the long term the company took steps to share some of these costs with customers and as a result the directors have seen improved profitability in 2022 and expect that to extend across the year.

Working capital efficiency in the business continues to be a key focus with stock decreasing again from £11.6m to £11.4m in the year. As a result, the stock turn has increased from 4.03 to 4.34.

Away from the finances, the company has taken steps to transform the office space in the Ely HQ in readiness for a post covid-19 environment more suited to hybrid working patterns with additional meeting room, video conferencing space and hot desks. Further to that, in anticipation of a return to more face-to-face meetings the company has opened an ‘innovation kitchen’ that will allow it to host customers and showcase new products developed by the team.

The company retains its commitment to sustainability and lowering its environmental impact. Steps taken during the year mean that the UK HQ is now 100% powered by renewable energy and improvements made to the building will reduce water use and wastage.

Finally, the Company has invested in a new ERP system that will replace multiple stand-alone, sales, purchase, technical and finance applications used in the business. Planning and design work began during the year with the aim of rolling out the new system in mid-2022. The system will allow for improvements to be made to internal processes that will increase efficiency and productivity in 2023 and beyond.

Adjusting items

To understand the underlying performance of the business the directors exclude items that distort the level of operating profit reported in the statement of comprehensive income to arrive at the adjusted operating profit. These items are principally the movement in the fair value of foreign exchange contracts which are an estimate and do not reflect actual financial performance, and non-recurring income and expenditure that do not relate to the principal activity of the business.

Adjusted operating loss

Adjusted operating profit reduced from a £1.6m profit in the year ended 30 November 2020 to a loss of £0.6m in the year ended 30 November 2021. The reduction in profitability is primarily due to the £1.8m increase in freight and logistics costs during the year.

CAMBRIDGE COMMODITIES LIMITED

STRATEGIC REPORT (CONTINUED)

For the year ended 30 November 2021

Principal risks and uncertainties

Ukraine-Russia Conflict

Should the conflict between Ukraine and Russia continue to escalate there is no limit to the scope and range of factors on the business and therefore not within the powers of the directors to mitigate those risks. However, the directors continue to monitor events closely and will regularly review sanctions lists to ensure compliance by the business.

The business is also closely watching the impact of the conflict on European exchange rates and the knock-on effects it has of the pricing and ultimately the commercial viability of the business's products in some EU states.

Energy Costs

As the conflict between Ukraine and Russia continues gas and electricity shortages may arise. The company benefits from modern energy efficient headquarters utilising solar power and directly consumes a low level of energy.

Energy costs will rise due to the conflict and will be the underlying cause of much of the inflationary pressure experienced by the business and the wider economy. Whilst the company will endeavour to avoid passing costs on to its customers this is likely to be unsustainable. The company has mechanisms in place to quickly adjust pricing offers for spot purchase inquiries and is avoiding longer-term supply contracts.

The EU-UK Trade and Cooperation Agreement

The Non-tariff trade barriers, increased bureaucracy and red tape burden created by the new EU-UK trade and Cooperation Agreement that came into effect on 1st of January 2021 created a challenging environment for the company, its suppliers, and customers throughout the year and is expected to continue to cause disruption as further legislation comes into force in 2022.

The company had prepared extensively for the new EU-UK trade relationship but not all eventualities could be mitigated and some of the problems created by the agreement are not be commercially viable to overcome such as the ability to sell organic products to EU customers.

The company continues to work with its business partners and engages the assistance of outside experts to create solutions to minimise the impact of the new EU-UK relationship as more of the regulations are enacted.

Covid-19

The company engages with suppliers and customers around the world and is therefore exposed to the risk of outbreaks caused by new variants of Covid-19.

In the early stages of the pandemic the group successfully moved most office-based staff to full remote working and implemented covid secure working practices and made alterations to workspaces to ensure the safety of staff whose roles could not be done remotely.

The company has subsequently moved to hybrid working arrangements but retains the capability to return to home working quickly without significant interruption to business.

Global shipping crisis

The company continues to be exposed to historically high freight and logistics costs and delays triggered by the imbalance in global freight movement created the Covid-19 pandemic.

The company is mitigating the risk by working closely with major customers and suppliers to ensure the most efficient scheduling of imports and exports to maximise stock turns.

Foreign exchange

The company makes sales in Sterling, Euros and US Dollars while it principally purchases goods sold in US Dollars. Any significant movement in value of Sterling against the US Dollar can impact the profitability of the company.

The company uses foreign exchange forward contracts to mitigate this risk as set out in the notes to the accounts. At 30 November 2021, a proportion of the company's future currency requirements were covered by such contracts.

CAMBRIDGE COMMODITIES LIMITED

STRATEGIC REPORT (CONTINUED)

For the year ended 30 November 2021

Cyber Crime and Fraud

As an international trading business, most transactions entered into are at least in part conducted via electronic means. As such the business is inherently exposed to the threat of cyber crime and fraud.

The company minimises the threat by utilising an array of cyber security solutions and by employing best practice processes which are continually reviewed and improved.

Market risk

The company sources most of the goods it sells from Asia and South America and is exposed to volatility in market prices caused by a wide range of political and economic conditions. Green initiatives and continuing changes to environmental laws and regulations in China being an example factor that has driven up prices in a key marketplace for the company.

The company minimises its exposure to market risk by doing the following:

- It employs the highest quality personnel with local knowledge of key markets.
- It closely monitors market data.
- It operates a procurement strategy aimed at multiple suppliers in different regions for each product where possible.

Food standards

As a buyer and seller of nutritional ingredients the company is exposed to the risk of being supplied goods that fall short of the required technical and food safety standards. Primarily these risks come from:

- the deliberate adulteration of products.
- the deliberate or accidental mis selling/mis labelling of products.
- the deliberate or accidental contamination of products.

The company mitigates the risks of taking receipt of these goods by doing the following:

- it operates a comprehensive supplier approval process.
- It has an in-house technical team to undertake supplier audits
- It works with 3rd party technical accreditation bodies and subjects itself to independent audit to ensure best practice and legislative compliance.
- It operates a strict positive release process to minimise the risk non-compliance.

Liquidity

Liquidity risk is managed by ensuring enough resources are available to meet trading cash flows through appropriate banking facilities.

Interest rates

Interest rate risk is managed by regular reviews of fixed and variable rate facilities available from the company's bankers.

Credit

Credit risk is managed by agreeing credit limits and payments terms with customers appropriate for their size and ability to pay in conjunction with tight management and monitoring of outstanding balances.

Streamlined energy and carbon reporting (SECR)

The group reports under SECR on a consolidated basis, and as a result the company is exempt from reporting its individual data as it is reported in the group consolidated financial statements.

On behalf of the board

Nil Hammill

Mr N Hammill

Director

19 August 2022

CAMBRIDGE COMMODITIES LIMITED

DIRECTORS' REPORT

For the year ended 30 November 2021

The directors present their annual report and financial statements for the year ended 30 November 2021.

Principal activities

Cambridge Commodities Limited (the "company") is a leading supplier of nutritional ingredients to the food & beverage, health and wellbeing, sports nutrition and pet food industries.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs E Firmin

(Appointed 25 February 2022 and resigned 21 July 2022)

Mr N Hammill

Mr I Mitchell

Mr S Mortimer

Mr J Stevens

Mr T Stevens

Auditor

In accordance with the company's articles, a resolution proposing that Grant Thornton UK LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CAMBRIDGE COMMODITIES LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 November 2021

Statement of disclosure to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Neil Hammill

Mr N Hammill
Director

Ian Mitchell

Mr I Mitchell
Director

19 August 2022

CAMBRIDGE COMMODITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CAMBRIDGE COMMODITIES LIMITED

Opinion

We have audited the financial statements of Cambridge Commodities Limited (the 'company') for the year ended 30 November 2021, which comprise 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 Financial Reporting Standard 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 30 November 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Brexit, Covid-19 and the war in Ukraine, we assessed and challenged the reasonableness of the estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to event 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

CAMBRIDGE COMMODITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CAMBRIDGE COMMODITIES LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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.

Matter on which we are required to report under the Companies Act 2006

In the 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.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CAMBRIDGE COMMODITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CAMBRIDGE COMMODITIES LIMITED

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: UK GAAP (FRS102), Companies Act 2006, the relevant tax compliance regulations in the jurisdictions in which the Company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including laws and regulations relating to employment matters, data security and protection, health and safety, consumer credit licensing, modern slavery and novel foods;
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management, reviewing board minutes and professional costs;
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated this through our review of board minutes and professional fees incurred during the year;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the client operates; and
 - Understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provisions
- The Company's management have not communicated to the audit team any matters of non-compliance with laws and regulations or fraud and no such matters were identified by the audit team;
- We completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

CAMBRIDGE COMMODITIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CAMBRIDGE COMMODITIES LIMITED

Use of our 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.

Grant Thornton UK LLP

Paul Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP

19 August 2022

Chartered Accountants
Statutory Auditor

Cambridge

CAMBRIDGE COMMODITIES LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 30 November 2021**

		Year ended 30 November 2021 £	Year ended 30 November 2020 £
	Notes		
Turnover	3	55,275,697	54,707,994
Cost of sales		(47,744,576)	(46,648,199)
Gross profit		7,531,121	8,059,795
Administrative expenses		(6,468,825)	(8,123,180)
Operating profit/(loss)	4	1,062,296	(63,385)
Interest receivable and similar income	8	102,060	68,229
Interest payable and similar expenses	9	(279,159)	(317,234)
Profit/(loss) before taxation		885,197	(312,390)
Tax on profit/(loss)	10	-	177,157
Profit/(loss) for the financial year		885,197	(135,233)
Other comprehensive income		-	-
Total comprehensive income for the year		885,197	(135,233)
Operating profit/(loss)		1,062,296	(63,385)
Amounts written off investments		-	100,000
Movement in fair value of foreign currency contracts		(1,652,205)	1,593,963
Adjusted operating (loss)/profit *		(589,909)	1,630,578

* Adjusted operating profit represents the underlying operating profit derived from the principal activity of the company, excluding the impacts of movements in the fair value of foreign currency contracts, and is a key metric used by management in determining the success of the business.

The income statement has been prepared on the basis that all operations are continuing operations.

CAMBRIDGE COMMODITIES LIMITED**STATEMENT OF FINANCIAL POSITION****As at 30 November 2021**

			30 November 2021	30 November 2020
	Notes	£	£	£
Fixed assets				
Tangible assets	11		425,130	404,198
Investments	12		978,596	978,596
			<u>1,403,726</u>	<u>1,382,794</u>
Current assets				
Stocks	14	11,364,367	11,582,592	
Debtors falling due after more than one year	15	147,268	159,268	
Debtors falling due within one year	15	16,146,373	15,408,231	
Cash at bank and in hand		2,837,575	509,773	
		<u>30,495,583</u>	<u>27,659,864</u>	
Creditors: amounts falling due within one year	16	(18,625,249)	(16,611,384)	
Net current assets			<u>11,870,334</u>	<u>11,048,480</u>
Total assets less current liabilities			<u>13,274,060</u>	<u>12,431,274</u>
Creditors: amounts falling due after more than one year	17		(57,119)	(90,453)
Net assets			<u><u>13,216,941</u></u>	<u><u>12,340,821</u></u>
Capital and reserves				
Called up share capital	20		93	93
Share premium account	21		99,999	99,999
Capital redemption reserve	21		12	12
Other reserves	21		398,903	407,980
Profit and loss reserves	21		12,717,934	11,832,737
Total equity			<u><u>13,216,941</u></u>	<u><u>12,340,821</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19 August 2022 and are signed on its behalf by:

Ian Mitchell

Mr I Mitchell
Director

Company Registration No. 03590758

CAMBRIDGE COMMODITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 November 2021

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£	£
Balance at 1 December 2019	93	99,999	12	303,518	11,967,970	12,371,592
Year ended 30 November 2020:						
Loss and total comprehensive income for the period	-	-	-	-	(135,233)	(135,233)
Share based payment	-	-	-	104,462	-	104,462
Balance at 30 November 2020	93	99,999	12	407,980	11,832,737	12,340,821
Year ended 30 November 2021:						
Profit and total comprehensive income for the period	-	-	-	-	885,197	885,197
Share based payment	-	-	-	(9,077)	-	(9,077)
Balance at 30 November 2021	93	99,999	12	398,903	12,717,934	13,216,941

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2021

1 Accounting policies

Company information

Cambridge Commodities Limited is a private company limited by shares incorporated in England and Wales. The registered office is 203 Lancaster Way Business Park, Ely, Cambridgeshire, CB6 3NX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Part of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cambridge Commodities Holdings Limited. These consolidated financial statements are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

1.2 Going concern

The company's business activities together with the factors likely to affect its future development, its financial position and principal risks and uncertainties are set out in the Strategic Report.

The directors have prepared forecasts and projections that show that the business will have sufficient financial resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements.

In preparing the forecasts the directors have made certain assumptions around forecast revenues and cash flows which the directors believe are prudent in that they are no better than those achieved historically.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

1 Accounting policies (Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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 delivery of the 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.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the period in which it is incurred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% on a reducing balance basis
Fixtures and fittings	20% on a reducing balance basis
Motor vehicles	15% on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

1 Accounting policies

(Continued)

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an established option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors have carried out a review of unlisted investments for impairment and have decided no impairment is necessary on the basis that the future value of the investments will exceed the carrying value.

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

CAMBRIDGE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 30 November 2021****3 Turnover and other revenue**

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Turnover analysed by geographical market		
United Kingdom sales	39,232,123	37,155,871
European Union sales	14,398,721	16,183,259
Rest of World sales	1,644,853	1,368,864
	<u>55,275,697</u>	<u>54,707,994</u>

4 Operating profit/(loss)

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Net foreign exchange (gain)/losses	(1,674,057)	129,659
Research and development costs	1,552	2,062
Depreciation of owned tangible fixed assets	67,650	59,519
Depreciation of tangible fixed assets held under finance leases	20,389	24,295
(Profit)/loss on disposal of tangible fixed assets	(13,918)	17,778
EMI scheme (credit)/charges	(9,077)	104,463
Operating lease charges	589,370	637,571
	<u></u>	<u></u>

5 Auditor's remuneration

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>68,000</u>	<u>54,000</u>
For other services		
Audit-related assurance services	12,250	26,800
Taxation compliance services	-	8,980
	<u>12,250</u>	<u>35,780</u>

CAMBRIDGE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 30 November 2021****6 Employees**

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

	Year ended 30 November 2021 Number	Year ended 30 November 2020 Number
Technical, logistics and production	68	62
Sales, marketing and product development	47	45
Administration and support	37	33
	<u>152</u>	<u>140</u>

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

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Wages and salaries	4,820,276	4,353,549
Social security costs	522,861	478,013
Pension costs	137,845	124,825
	<u>5,480,982</u>	<u>4,956,387</u>

7 Directors' remuneration

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Remuneration for qualifying services	<u>617,210</u>	<u>719,569</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2020 - 5).

Included within remuneration for qualifying services is £39,459 (2020: £39,632) of pension contributions.

CAMBRIDGE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 30 November 2021****7 Directors' remuneration****(Continued)**

Remuneration disclosed above include the following amounts paid to the highest paid director:

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Remuneration for qualifying services	155,633	172,514
Company pension contributions to defined contribution schemes	6,974	6,749
	<u> </u>	<u> </u>

8 Interest receivable and similar income

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Interest income		
Interest from bank balances and investments	1	-
Interest receivable from group companies	102,059	68,229
	<u> </u>	<u> </u>
Total income	102,060	68,229
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	219,321	213,046
Interest payable to group undertakings	46,721	92,678
	<u> </u>	<u> </u>
	266,042	305,724
Other finance costs:		
Interest on finance leases and hire purchase contracts	13,117	11,510
	<u> </u>	<u> </u>
	279,159	317,234
	<u> </u>	<u> </u>

CAMBRIDGE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 30 November 2021****10 Taxation**

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Current tax		
UK corporation tax on profits for the current period	-	12,848
Adjustments in respect of prior periods	-	(190,005)
	<u>-</u>	<u>(177,157)</u>
Total current tax	<u>-</u>	<u>(177,157)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 30 November 2021 £	Year ended 30 November 2020 £
Profit/(loss) before taxation	885,197	(312,390)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	168,187	(59,354)
Tax effect of expenses that are not deductible in determining taxable profit	9,579	72,380
Tax effect of income not taxable in determining taxable profit	(318,311)	-
Tax effect of utilisation of tax losses not previously recognised	-	(273,354)
Change in unrecognised deferred tax assets	359,919	-
Adjustments in respect of prior years	-	(190,005)
Effect of change in corporation tax rate	(224,838)	-
Group relief	8,786	-
Change to unprovided deferred tax on fixed assets	-	(31,195)
Temporary difference in respect of financial liabilities measured at fair value through profit and loss	-	302,853
Other permanent differences	209	-
Profit on disposal of capital assets	-	1,518
Fixed asset differences	(3,531)	-
	<u>-</u>	<u>(177,157)</u>
Taxation charge/(credit) for the period	<u>-</u>	<u>(177,157)</u>

At 30 November 2021 the company had unutilised tax losses of £2,945,226 (2020: £2,945,226). In the absence of unequivocal evidence that there will be sufficient taxable profits against which to deduct the losses in future periods the company has not recognised a corresponding deferred tax asset in these financial statements. At the current 19% rate of corporation tax, the deferred tax asset would be worth £559,593.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

10 Taxation

(Continued)

Factors that may affect future tax charges

In the UK Budget Statement on 3 March 2021, the Chancellor announced the intention for corporation tax to rise to a headline rate of 25% from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels.

11 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 December 2020	170,769	562,707	177,070	910,546
Additions	20,441	98,101	-	118,542
Disposals	(2,845)	-	(18,605)	(21,450)
At 30 November 2021	188,365	660,808	158,465	1,007,638
Depreciation and impairment				
At 1 December 2020	113,409	354,293	38,646	506,348
Depreciation charged in the year	18,618	49,032	20,389	88,039
Eliminated in respect of disposals	(2,147)	-	(9,732)	(11,879)
At 30 November 2021	129,880	403,325	49,303	582,508
Carrying amount				
At 30 November 2021	58,485	257,483	109,162	425,130
At 30 November 2020	57,360	208,414	138,424	404,198

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	30 November 2021 £	30 November 2020 £
Plant and machinery	-	12,787
Motor vehicles	109,162	138,424
	109,162	151,211

12 Fixed asset investments

	30 November 2021 £	30 November 2020 £
Unlisted investments	978,596	978,596

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Unlisted investments £
Cost	
At 1 December 2020 & 30 November 2021	978,596
Carrying amount	
At 30 November 2021	978,596
At 30 November 2020	978,596

13 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Measured at amortised cost	18,168,758	14,907,815
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Derivative financial instruments	(492,464)	(2,144,652)
Measured at amortised cost	(17,743,034)	(13,257,794)

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings & other debtors and accrued income and cash.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, bank loans, lease liabilities, amounts owed to group undertakings and accruals.

Derivative financial instruments – forward contracts

The company uses forward currency contracts to mitigate the exchange risk for certain foreign currency receivables and payables. At 30 November 2021 the outstanding contracts were all due to mature within 21 months (2020: 30 months).

At 30 November 2021, dependent on the prevailing market rates of GBP:EUR and GBP:USD the company was obligated to sell a minimum of £nil in exchange for \$nil (2020: £nil and \$nil) and sell a maximum of £12,306,762, €12,182,100 and \$5,875,800 in exchange for \$20,480,250, £12,020,000 (2020: £20,263,846 and €12,500,000 in exchange for \$40,453,250).

The forward currency contracts are measured at fair value which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:EUR and GBP:USD. At 30 November 2021 the fair value liability of the forward currency contracts was £492,464 (2020: £2,144,652). The liability is included within other creditors on the balance sheet.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

13 Financial instruments

(Continued)

Derivatives not designated as hedging instruments reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Derivatives designated as hedging instruments reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in USD and EUR.

Fair Value

At 30 November 2021 the fair value liability of derivatives not designated as hedging instruments was £492,464 (2020: £2,144,652); the fair value of derivatives designated as hedging instruments was £nil (2020: £nil). The fair value liability is included within other creditors falling due within one year.

14 Stocks

	30 November 2021	30 November 2020
	£	£
Raw materials	8,673,877	8,191,873
Work in progress	517,166	1,144,735
Finished products	2,173,324	2,245,984
	<u>11,364,367</u>	<u>11,582,592</u>

The write down of stocks to net realisable value at the period end amounted to £755,734 (2020: £1,320,675).

15 Debtors

	30 November 2021	30 November 2020
	£	£
Amounts falling due within one year:		
Trade debtors	9,598,217	9,376,512
Corporation tax recoverable	32,370	172,860
Amounts owed by group undertakings	2,848,623	2,356,254
Other debtors	3,219,801	2,953,952
Prepayments and accrued income	447,362	548,653
	<u>16,146,373</u>	<u>15,408,231</u>
	30 November 2021	30 November 2020
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>147,268</u>	<u>159,268</u>
Total debtors	<u>16,293,641</u>	<u>15,567,499</u>

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

15 Debtors (Continued)

Other debtors of £147,268 (2020: £159,268) consists of loan to an unrelated 3rd party, the loan is interest bearing at a rate of 5% per annum and due for repayment on or before 31 January 2024.

16 Creditors: amounts falling due within one year

	Notes	30 November 2021 £	30 November 2020 £
Invoice discounting facility		4,395,526	4,399,583
Obligations under finance leases	18	33,333	64,660
Trade creditors		8,608,044	6,005,969
Amounts owed to group undertakings		981,039	1,761,382
Taxation and social security		446,870	457,298
Other creditors		1,527,600	3,687,492
Accruals and deferred income		2,632,837	235,000
		<u>18,625,249</u>	<u>16,611,384</u>

The company has a £5,000,000 (2020: £5,000,000) invoice discounting facility with Barclays Bank plc secured by a fixed and floating charge over the assets of the parent entity Cambridge Commodities Holdings Limited and its subsidiaries, Cambridge Commodities Limited, Cambridge Commodities Inc and Cambridge Commodities (Pty) Ltd. At 30 November 2021 the balance due on the facility was £4,395,526 (2020: 4,399,583).

17 Creditors: amounts falling due after more than one year

	Notes	30 November 2021 £	30 November 2020 £
Obligations under finance leases	18	57,119	90,453

The company has a £5,000,000 (2020: £5,000,000) invoice discounting facility with Barclays Bank plc secured by a fixed and floating charge over the assets of the parent entity Cambridge Commodities Holdings Limited and its subsidiaries, Cambridge Commodities Limited, Cambridge Commodities Inc and Cambridge Commodities (Pty) Ltd. At 30 November 2021 the balance due on the facility was £4,395,526 (2020: 4,399,583).

18 Finance lease obligations

	30 November 2021 £	30 November 2020 £
Future minimum lease payments due under finance leases:		
Within one year	33,333	64,660
In two to five years	57,119	90,453
	<u>90,452</u>	<u>155,113</u>

CAMBRIDGE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 30 November 2021****18 Finance lease obligations****(Continued)**

The company has motor vehicles held under finance lease arrangements. Finance lease liabilities are secured by the related asset held under finance leases. The lease agreements include fixed lease payments and a purchase option at the end of the lease.

19 Share-based payment transactions

The options outstanding at 30 November 2021 had an exercise price ranging from £2.88 to £11.35, and a contractual life of 10 years. The outstanding options have a weighted average exercise price of £9.42 (2020: £9.43) and a weighted average of 0.18 years (2020: 0.29 years) remaining to the exercise date.

20 Share capital

	30 November 2021	30 November 2020
	£	£
Ordinary share capital		
Issued and fully paid		
930,000 ordinary shares of 0.01p each	93	93
	<u> </u>	<u> </u>

21 Reserves**Share premium**

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

Capital redemption reserve

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

Other reserves

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

Profit and loss account

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

CAMBRIDGE COMMODITIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****For the year ended 30 November 2021****22 Operating lease commitments****Lessee**

At the 30 November 2021 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 November 2021 £	30 November 2020 £
Within one year	535,047	537,167
Between two and five years	2,140,189	2,140,189
In over five years	5,681,411	6,216,459
	<u>8,356,647</u>	<u>8,893,815</u>

23 Related party transactions

Included in amounts owed by group undertakings, are amounts owed by Cambridge Commodities Inc which is 90% owned by the Group.

At 30 November 2021 £2,786,341 (2020: £2,358,477) was owed by Cambridge Commodities Inc to Cambridge Commodities Ltd. This amount is a combination of a loan provided to the entity and a trading balance. Interest is charged at 4% on the total amount outstanding. During the year advances of £325,805 (2020: £1,094,850) and repayments £nil (2020: £nil) were made and interest of £102,059 (2020: £68,231) was charged.

During the year sales of £289,199 (2020: £431,980) were made at cost +5% by Cambridge Commodities Limited to Cambridge Commodities Inc.

24 Directors' transactions

The company has received a loan from the director Mr J Stevens, upon which there are no repayment terms and no interest accruing on the outstanding balance.

During the year the director advanced £nil and was repaid £129,993 (2020: £146,915) such that at the period end the company owed the director £16,922 (2020: £197,774). The balance of £16,922 is included in other creditors.

25 Ultimate controlling party

The immediate and ultimate parent undertaking is Cambridge Commodities Holdings Limited, a company incorporated in England and Wales.

The ultimate controlling party of the company is Mr J Stevens, the Managing Director, who owns 52% of the issued share capital of the ultimate parent undertaking.

The smallest and largest group in which the results of the company are included within is that headed by Cambridge Commodities Holdings Limited. Copies of these consolidated financial statements are publicly available from Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

CAMBRIDGE COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 November 2021

26 Contingent Liability

The Company has entered into an indemnity agreement with its bankers as of 30 November 2021 in respect of guarantees to HMRC of £1,400,000 (2020: £1,400,000).