

COMMODITY CENTRE (GROUP) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMMODITY CENTRE (GROUP) LIMITED

COMPANY INFORMATION

Directors	Mr A Gunn Mr D Warriner Mr A Jordan
Registered number	08319591
Registered office	Commodity House Braxted House Great Braxted Witham Essex CM8 3EW
Independent auditors	MHA MacIntyre Hudson Boundary House 4 County Place Chelmsford Essex CM2 0RE

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Introduction

The Group provides dedicated commodity storage and a 4PL service for soft commodities, metals and general cargo. We handle many hundreds of thousands of tonnes of material every year in bonded, state of the art warehouses with supporting accreditations to back the wide range of service offering. We manage the whole supply chain from origin and shipping, through to customs, warehousing and onward distribution.

Business review

The Directors consider that the Group has performed in line with expectation after consideration of the impact of COVID-19 this year achieving a turnover of £30.4m (2020 - £26.4m) and an operating profit of £2.6m (2020 - £1.5m). The Group has a solid foundation for continued European and Domestic growth whilst maintaining consistency and expertise within our expanding service offering.

Despite these difficult trading conditions, the Group has offered pay rises to support our employees. The Group Directors have waived any increase due to them.

The Group has a strong year end net asset position of £14.2m (2020 as restated - £13.9m) which also includes a deferred tax liability of £2.96m (2020 as restated - £2.6m) as required under FRS102.

The Directors continue to achieve their targets set as part of the Business Strategy including long term investment in new technology/IT systems, creating innovative solutions for our customers, staff training, marketing and branding.

During the year, the Group completed the purchase of Waagnatie NV and W-IMMO-MAT BVBA, two companies incorporated in Belgium. As a result of this transaction, £2,569,949 of negative goodwill was recognised on acquisition in the Consolidated Balance Sheet due to the fair value of assets acquired being in excess of the purchase consideration. The Group has adopted an accounting policy of amortising this negative goodwill on a straight line basis over a period of 5 years, with a full year's amortisation released in the year of acquisition. The profit recognised in the Consolidated Statement of Comprehensive Income in the current year as a result of this amortisation of negative goodwill is £513,990.

The acquisition of these two new subsidiaries in February 2021 secured the ownership of warehouses less than 1km from our Belgium Head Office as the Group continued its European expansion in Antwerp, Belgium. Further, the construction of our second terminal in Amsterdam, Netherlands commenced in January 2021 and is due to be completed in February 2022 which will further increase the contribution of our Dutch entities to overall group profits. These strategic acquisitions and property development will further secure the long-term European growth for the Group along with our strategy for Domestic expansion.

This growth has been harmonious with our Corporate and Social Responsibility to maintain growth in a sustainable manner, including protection of the environment, minimising our impact on it, maintaining our belief in strong ethical principles and good stewardship.

Further to the above, the Group continues to support several charities including the National Autistic Society as well as supporting other local community groups, schools and charities.

The Group is well positioned to face the challenges of the forthcoming financial year, including the continuing economic impact of COVID-19 in both the UK and Europe. The Directors are confident that the Group will continue to trade profitably with sustainable growth in the coming year.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

The Directors continually review the business environment to identify any new significant risks to the Group and where appropriate take action to respond to any changes. The Directors have assessed the main risks facing the Group as follows:

Currency risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. However, the Directors do not deem this risk significant in relation to the operations of the group due to predominantly all purchases being made in the same currency as sales and multi-currency borrowing facilities.

Interest rate risk

The Group finances its operations through a mixture of retained profits, cash, loans and trade creditors. The Directors are of the opinion that associated interest rate risks are monitored and mitigated accordingly.

Marketplace risk

As the provider of storage, a significant risk is under-utilisation of warehouse space which can be caused by a number of factors. The Directors are of the opinion that the varied customer base, the markets in which they operate, and diverse commodities stored mitigates this risk. The Group also has a balanced portfolio of owned and leased warehouses.

Operational risk

The Group's activities exposes it to two main operational risks, inefficiency and errors. Whilst the success of the Group would not be possible without the passion and commitment of its staff, the risks of inefficiency and errors are mitigated through clear procedures and a robust control environment. These procedures and controls are designed to limit the possibility of human error. Additional controls are in place at each point where human error is possible with full traceability and accountability.

Liquidity and cash flow risk

The Group requires large working capital including the funding of work in progress. The Group manages the liquidity risk and cash flow risk by arranging sufficient working capital finance facilities which are in place to enable the Group to meet liabilities as they fall due.

Credit risk

The Group's principal financial assets are cash, trade receivables and other receivables. The Group's credit risk is primarily attributable to its trade receivables. This risk is mitigated by using strict credit control procedures, the imposition of appropriate credit limits and obtaining third party references. The trading terms for warehousing customers allow lien arrangements to be in place with their goods in store, so risk is further reduced.

COMMODITY CENTRE (GROUP) LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial key performance indicators

The business maintains a strong management information function which is focussed on regular and accurate reporting. The Directors consider the following to be the key performance indicators of the Group:

	2021	2020
Turnover	£30,360,956	£26 362 180
Gross profit	£8,896,874	£7 020 409
Gross profit percentage	29.3%	26.6%
Operating profit	£2,608,634	£1 484 909

Other key performance indicators

The Directors consider warehouse utilisation, volume of cargo handled and staff headcount to be key non-financial performance indicators.

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

.....
Mr A Gunn
Director

Date: 22 October 2021

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £1,171,248 (2020 - £446,066).

Dividends in the year amounted to £NIL (2020 - £400,000).

Directors

The Directors who served during the year were:

Mr A Gunn
Mr D Warriner
Mr A Jordan

Future developments

The Directors will continue to seek opportunities to expand the business whether from internal or external sources.

COMMODITY CENTRE (GROUP) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

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 Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has 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 and the Group's auditors are aware of that information.

Post balance sheet events

There were no significant post balance sheet events to report.

Auditors

The auditors, MHA MacIntyre Hudson, 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.

Mr A Gunn
Director

Date: 22 October 2021

Opinion

We have audited the financial statements of Commodity Centre (Group) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the 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 Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMODITY CENTRE (GROUP) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 Group 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 Group 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 the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the Group and parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group and parent Company 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMMODITY CENTRE (GROUP) LIMITED (CONTINUED)

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mike Kay BSc FCA CF (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Statutory Auditor

Chelmsford, United Kingdom

22 October 2021

COMMODITY CENTRE (GROUP) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	As restated 2020 £
Turnover	4	30,360,956	26,362,180
Cost of sales		(21,464,082)	(19,341,771)
Gross profit		8,896,874	7,020,409
Administrative expenses		(6,288,240)	(5,535,500)
Operating profit	5	2,608,634	1,484,909
Interest payable and expenses	9	(974,924)	(635,258)
Profit before taxation		1,633,710	849,651
Tax on profit	10	(202,696)	(112,192)
Profit for the financial year		1,431,014	737,459
Foreign exchange movement		(478,966)	(430,363)
(Deficit)/surplus on revaluation of freehold property	12	(1,147,064)	4,251,570
Deferred tax adjustment	22	476,376	(1,805,000)
Other comprehensive income for the year		(1,149,654)	2,016,207
Total comprehensive income for the year		281,360	2,753,666
Profit for the year attributable to:			
Non-controlling interests		259,766	291,393
Owners of the parent Company		1,171,248	446,066
		1,431,014	737,459
Total comprehensive income for the year attributable to:			
Non-controlling interest		(25,527)	899,873
Owners of the parent Company		306,887	1,853,793
		281,360	2,753,666

The notes on pages 20 to 46 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
Fixed assets					
Intangible assets	11		(2,055,959)		-
Tangible assets	12		51,952,840		44,506,708
Investments	13		313,783		313,783
			<u>50,210,664</u>		<u>44,820,491</u>
Current assets					
Stocks	14	7,842,329		6,700,219	
Debtors: amounts falling due within one year	15	5,834,148		6,563,268	
Cash at bank and in hand	16	2,316,563		854,667	
		<u>15,993,040</u>		<u>14,118,154</u>	
Creditors: amounts falling due within one year	17	(13,647,791)		(11,133,187)	
Net current assets			<u>2,345,249</u>		<u>2,984,967</u>
Total assets less current liabilities					
			<u>52,555,913</u>		<u>47,805,458</u>
Creditors: amounts falling due after more than one year	18		(35,398,056)		(31,263,961)
Provisions for liabilities					
Deferred taxation	22	(2,955,000)		(2,620,000)	
			<u>(2,955,000)</u>		<u>(2,620,000)</u>
Net assets			<u><u>14,202,857</u></u>		<u><u>13,921,497</u></u>
Capital and reserves					
Called up share capital	23		56		56
Revaluation reserve	24		6,839,376		7,975,274
Foreign exchange reserve	24		(201,228)		(94,485)
Merger reserve	24		(266,141)		(266,141)
Profit and loss account	24		6,024,689		4,475,161
Equity attributable to owners of the parent Company			<u>12,396,752</u>		<u>12,089,865</u>
Non-controlling interests			1,806,105		1,831,632
			<u><u>14,202,857</u></u>		<u><u>13,921,497</u></u>

COMMODITY CENTRE (GROUP) LIMITED
REGISTERED NUMBER: 08319591

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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

.....
Mr A Gunn
Director

Date: 22 October 2021

The notes on pages 20 to 46 form part of these financial statements.

COMMODITY CENTRE (GROUP) LIMITED
REGISTERED NUMBER: 08319591

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	13		296,181		296,181
			<u>296,181</u>		<u>296,181</u>
Current assets					
Debtors: amounts falling due within one year	15	-		6	
Cash at bank and in hand	16	45		47	
Creditors: amounts falling due within one year	17	(305,776)		(263,876)	
Net current liabilities			<u>(305,731)</u>		<u>(263,823)</u>
Net (liabilities)/assets			<u>(9,550)</u>		<u>32,358</u>
Capital and reserves					
Called up share capital	23		56		56
Profit and loss account	24		(9,606)		32,302
			<u>(9,550)</u>		<u>32,358</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £41,908 (2020 - profit after tax £313,017).

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

.....
Mr A Gunn
Director

Date: 22 October 2021

The notes on pages 20 to 46 form part of these financial statements.

COMMODITY CENTRE (GROUP) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	evaluation reserve	Foreign exchange reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2020 (as previously stated)	56	9,419,394	(94,485)	(266,141)	4,475,161	13,533,985	2,192,512	15,726,497
Prior year adjustment	-	(1,444,120)	-	-	-	(1,444,120)	(360,880)	(1,805,000)
At 1 April 2020 (as restated)	56	7,975,274	(94,485)	(266,141)	4,475,161	12,089,865	1,831,632	13,921,497
Profit for the year	-	-	-	-	1,171,248	1,171,248	259,766	1,431,014
Foreign exchange movement	-	(254,946)	(106,743)	-	-	(361,689)	(117,277)	(478,966)
Revaluation of freehold property	-	(944,536)	-	-	-	(944,536)	(202,528)	(1,147,064)
Deferred tax adjustment on revaluation of freehold property	-	381,221	-	-	-	381,221	95,155	476,376
Release depreciation to Profit and loss account	-	(317,637)	-	-	378,280	60,643	(60,643)	-
At 31 March 2021	56	6,839,376	(201,228)	(266,141)	6,024,689	12,396,752	1,806,105	14,202,857

The notes on pages 20 to 46 form part of these financial statements.

COMMODITY CENTRE (GROUP) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	evaluation reserve	Foreign exchange reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 April 2019 (as previously stated)	56	7,411,194	296,866	(266,141)	3,419,131	10,861,106	931,759	11,792,865
Prior year adjustment	-	-	-	-	(225,034)	(225,034)	-	(225,034)
At 1 April 2019 (as restated)	56	7,411,194	296,866	(266,141)	3,194,097	10,636,072	931,759	11,567,831
Profit for the year	-	-	-	-	446,066	446,066	291,393	737,459
Foreign exchange movement	-	-	(391,351)	-	-	(391,351)	(39,012)	(430,363)
Revaluation of freehold property (as restated)	-	3,243,198	-	-	-	3,243,198	1,008,372	4,251,570
Deferred tax adjustment on revaluation of freehold property (as restated)	-	(1,444,120)	-	-	-	(1,444,120)	(360,880)	(1,805,000)
Dividends: Equity capital	-	-	-	-	(400,000)	(400,000)	-	(400,000)
Transfer to/from profit and loss account	-	(1,234,998)	-	-	1,234,998	-	-	-
At 31 March 2020 (as restated)	56	7,975,274	(94,485)	(266,141)	4,475,161	12,089,865	1,831,632	13,921,497

The notes on pages 20 to 46 form part of these financial statements.

COMMODITY CENTRE (GROUP) LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	56	119,285	119,341
Profit for the year	-	313,017	313,017
Dividends: Equity capital	-	(400,000)	(400,000)
	<hr/>	<hr/>	<hr/>
At 1 April 2020	56	32,302	32,358
Loss for the year	-	(41,908)	(41,908)
	<hr/>	<hr/>	<hr/>
At 31 March 2021	56	(9,606)	(9,550)

The notes on pages 20 to 46 form part of these financial statements.

COMMODITY CENTRE (GROUP) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,431,014	737,459
Adjustments for:		
Amortisation of intangible assets	(513,990)	-
Depreciation of tangible assets	1,509,479	1,006,294
Profit on disposal of tangible assets	(3,682)	(261,354)
Interest paid	974,924	635,258
Taxation charge	202,696	112,192
Increase in stocks	(1,357,004)	(1,891,206)
Decrease in debtors	772,856	861,918
Increase/(decrease) in creditors	3,944,170	(201,066)
Corporation tax paid	(42,087)	(240,998)
Net cash generated from operating activities	6,918,376	758,497
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,978,839)	(14,405,905)
Sale of tangible fixed assets	28,000	77,924
HP interest paid	(42,269)	(32,042)
Net cash outflow on acquisition of subsidiaries	(862,287)	-
Net cash from investing activities	(4,855,395)	(14,360,023)
Cash flows from financing activities		
New secured loans	1,023,939	17,763,488
Repayment of loans	(1,195,363)	(5,227,676)
Other new loans	2,000,000	-
Repayment of finance leases	(176,745)	(378,771)
Dividends paid	-	(400,000)
Interest paid	(932,655)	(603,216)
Repayment of revolving credit facility	(357,920)	-
Net cash used in financing activities	361,256	11,153,825
Net increase/(decrease) in cash and cash equivalents	2,424,237	(2,447,701)

COMMODITY CENTRE (GROUP) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£	£
Cash and cash equivalents at beginning of year	(776,230)	1,663,494
Foreign exchange gains and losses	(424)	7,977
Cash and cash equivalents at the end of year	<u>1,647,583</u>	<u>(776,230)</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,316,563	854,667
Bank overdrafts	(668,980)	(1,630,897)
	<u>1,647,583</u>	<u>(776,230)</u>

The notes on pages 20 to 46 form part of these financial statements.

COMMODITY CENTRE (GROUP) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021**

	At 1 April 2020	Cash flows	Acquisition and disposal of subsidiaries	New finance leases	At 31 March 2021
	£	£	£	£	£
Cash at bank and in hand	854,667	1,360,229	101,667	-	2,316,563
Bank overdrafts	(1,630,897)	961,917	-	-	(668,980)
Debt due after 1 year	(27,041,773)	999,580	(709,954)	-	(26,752,147)
Debt due within 1 year	424,965	(2,640,610)	(254,000)	-	(2,469,645)
Revolving credit facilities	(4,357,920)	357,920	-	-	(4,000,000)
Finance leases	(969,226)	176,745	-	(1,813,653)	(2,606,134)
	<u>(32,720,184)</u>	<u>1,215,781</u>	<u>(862,287)</u>	<u>(1,813,653)</u>	<u>(34,180,343)</u>

The notes on pages 20 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Commodity Centre (Group) Limited is a private company, limited by shares, incorporated in England and Wales. The Company was incorporated on 5 December 2012 under the Company registration number 08319591. The registered office is Commodity House, Braxted Road, Great Braxted, Witham, Essex, CM8 3EW, which is also its principal place of business.

The significant accounting policies applied in the presentation of these financial statements are set out below.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 Group management to exercise judgement in applying the Group's accounting policies (see Note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The comparative figures for the year to 31 March 2020 have been restated. See Note 26.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

The COVID-19 pandemic and the ensuing economic shutdown has had an impact on the Group's operations, but the Directors have taken necessary actions to safeguard our employees whilst maintaining as much of our operational function as possible. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there are no adjusting post balance sheet events and that there is no material uncertainty in relation to going concern. As such the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pound Sterling.

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 Consolidated Statement of Comprehensive Income except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Warehousing and handling

Revenue is recognised based on the period when services are provided.

Technical and associated warehousing

Revenue is recognised based on the period when the services are completed.

Freight forwarding, haulage and logistics

Revenue is recognised once a delivery has been completed and proof of delivery has been obtained.

2.6 Operating leases: the Group as lessee

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

2.7 Finance costs

Finance costs are charged to the Consolidated 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.

2.8 Borrowing costs

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

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution pension plan for its employees. A defined contribution pension plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 Balance Sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.12 Intangible assets

Negative Goodwill

Negative Goodwill represents the excess between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, negative goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Negative goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 5 years with a full year's amortisation released in the year of acquisition.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.13 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 Group 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 straight line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Short-term leasehold property	-	straight line over the term of the lease
Plant and machinery	-	20% reducing balance / 5% straight line
Motor vehicles	-	20% to 25% reducing balance
Office equipment	-	20% reducing balance
Computer equipment	-	20% straight line
Leasehold improvements	-	10% to 50% straight line
Assets under construction	-	not depreciated until they are brought into use

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 Consolidated Statement of Comprehensive Income.

2.14 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers, or by the Directors.

Revaluation gains and losses are recognised in Other Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in Profit or Loss.

Depreciation on the cost of the individual freehold properties are charged at 2% on a straight line basis which is released from the Revaluation reserve to the Profit and Loss account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet 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 Consolidated Statement of Comprehensive Income.

2.17 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.

2.18 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 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.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.21 Financial instruments

The Group 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 Consolidated Statement of Comprehensive Income.

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 Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is an 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.

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.

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

3.1 Work in progress

Costs relating to goods where no charge on entry into store is made by the Group are carried forward as work in progress and released when the goods are moved out of store and matched against the exit charge arising. Work in progress is reviewed for impairment and provision made for any amounts not considered recoverable.

3.2 Freehold property

Freehold properties are valued on the basis of fair value using either market valuations or valuations provided by the Directors.

COMMODITY CENTRE (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Provision of storage and ancillary services	30,360,956	26,362,180
	<u>30,360,956</u>	<u>26,362,180</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	15,204,600	15,115,884
Rest of Europe	15,156,356	11,246,296
	<u>30,360,956</u>	<u>26,362,180</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Amortisation released on negative goodwill	(513,990)	-
Exchange differences	8,488	80,145
Operating lease rentals	4,015,587	1,532,705
Profit on sale of tangible fixed assets	<u>(3,682)</u>	<u>(261,354)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	4,500	13,500
Fees payable to the Group's auditor for the audit of the Subsidiaries' annual accounts	35,000	26,850
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	5,300	5,000
All other services	<u>18,500</u>	<u>4,500</u>

7. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	4,468,547	4,036,899	-	710,039
Social security costs	481,070	370,520	-	9,996
Pension costs	109,876	105,070	-	88,815
	<u>5,059,493</u>	<u>4,512,489</u>	<u>-</u>	<u>808,850</u>

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

	2021 No.	2020 No.
Staff	88	81
Directors	3	3
	<u>91</u>	<u>84</u>

The Company has no employees other than the Directors in the year to 31 March 2021 (2020 - NIL employees, 3 Directors).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	593,614	602,237
	<u>593,614</u>	<u>602,237</u>

During the year retirement benefits were accruing to 3 Directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £269,573 (2020 - £278,024).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £2,188 (2020 - £2,193).

9. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest payable	902,655	570,566
Other loan interest payable	30,000	32,650
Finance leases and hire purchase contracts	42,269	32,042
	<u>974,924</u>	<u>635,258</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	102,428	(71,438)
Adjustments in respect of previous periods	(25,625)	(65,370)
Total current tax	76,803	(136,808)
Deferred tax		
Origination and reversal of timing differences	125,893	249,000
Total deferred tax	125,893	249,000
Taxation on profit on ordinary activities	202,696	112,192

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,633,710</u>	<u>849,651</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	310,405	161,434
Effects of:		
Expenses not deductible for tax purposes	57,333	79,410
Losses carried back	24,946	-
Different rate taxes on overseas earnings	(164,363)	639
Adjustments to tax charge in respect of prior periods	(25,625)	(129,291)
Total tax charge for the year	202,696	112,192

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and will take effect from 1 April 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

11. Intangible assets**Group and Company**

	Negative goodwill £
On acquisition of subsidiaries	(2,569,949)
At 31 March 2021	(2,569,949)
Release of amortisation for the year	(513,990)
At 31 March 2021	(513,990)
Net book value	
At 31 March 2021	<u>(2,055,959)</u>
At 31 March 2020	<u>-</u>

The Group has acquired two new subsidiaries during the financial year; Waagnatie NV and W-IMMO-MAT BVBA (both of which are registered in Belgium). The acquisitions occurred on 16 February 2021 and the purchase price plus cost of acquisition was £1,155,783. The fair value of assets acquired, specifically a warehouse, is far higher than the total consideration and as such created negative goodwill of £2,569,949. See Note 25 for details.

All of the Group's intangible fixed assets are held in the Parent Company

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
12. Tangible fixed assets**Group**

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Assets under construc-tion £	Total £
Cost or valuation							
At 1 April 2020	42,079,738	902,259	2,932,499	22,852	1,180,496	-	47,117,844
Additions	1,935,628	-	2,451,610	147,219	185,737	1,072,298	5,792,492
Acquisition of subsidiary	5,470,283	-	36,673	-	-	-	5,506,956
Disposals	-	(37,549)	(37,996)	(5,894)	-	-	(81,439)
Revaluations	(1,147,064)	-	-	-	-	-	(1,147,064)
Exchange adjustments	(1,125,706)	(39,001)	(132,939)	(286)	(294,421)	-	(1,592,353)
At 31 March 2021	47,212,879	825,709	5,249,847	163,891	1,071,812	1,072,298	55,596,436
Depreciation							
At 1 April 2020	957,722	356,446	1,099,116	5,898	191,954	-	2,611,136
Charge for the year	567,653	172,527	583,999	14,164	171,136	-	1,509,479
Disposals	-	(37,549)	(17,756)	(1,816)	-	-	(57,121)
Exchange adjustments	(337,966)	-	(30,143)	(12)	(51,777)	-	(419,898)
At 31 March 2021	1,187,409	491,424	1,635,216	18,234	311,313	-	3,643,596
Net book value							
At 31 March 2021	46,025,470	334,285	3,614,631	145,657	760,499	1,072,298	51,952,840
At 31 March 2020	41,122,016	545,813	1,833,383	16,954	988,542	-	44,506,708

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold property	46,025,470	41,122,016
Short-term leasehold property	334,285	545,813
	<u>46,359,755</u>	<u>41,667,829</u>

The 2021 valuations were made by the Directors, on an open market basis for existing use basis.

The freehold properties held by the Group were previously valued by the following independent valuers; ADM Group (recognised by the Flemish Tax Authorities (VLABEL)), Cushman and Wakefield (RICS Registered), and Troostwijk-Roux Expertises (RICS Registered).

In making their assessment of the 2021 valuations the Directors have considered these valuations and consider these to remain reasonable, notwithstanding the additional expenditure undertaken on the properties.

If the Freehold properties were recorded under the Historical cost model they would be included at cost of £31,802,414 (2020 - £29,556,875).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 April 2020	313,783
At 31 March 2021	<u>313,783</u>

Investments in associates

The Group holds a 25% share of Green Forest Products SA, a company registered in Bolivia. The principal activity of this company is the processing of nuts for export. There have been no dividends or other distributions in the year (2020 - £NIL).

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	296,181
At 31 March 2021	<u>296,181</u>

COMMODITY CENTRE (GROUP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Commodity Centre Limited	England and Wales	Ordinary	100 %
Commodity Centre Europe Limited	England and Wales	Ordinary	80 %
Commodity Centre UK Limited	England and Wales	Ordinary	100 %
Commodity Store Limited	England and Wales	Ordinary	100 %
Quantuvis Limited	England and Wales	Ordinary	100 %
Routebuy Limited	England and Wales	Ordinary	100 %
Commodity Centre Property Holdings Limited	England and Wales	Ordinary	80 %
Commodity Centre Osprey Holdings Limited	England and Wales	Ordinary	90 %

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Erus Metals Limited	England and Wales	Ordinary	60 %
Commodity Centre Netherlands BV	Netherlands	Ordinary	80 %
Commodity Centre Belgium NV	Belgium	Ordinary	80 %
Commodity Centre Handling Belgium CVBA	Belgium	Ordinary	80 %
Waagnatie NV	Belgium	Ordinary	80 %
W-IMMO-MAT BVBA	Belgium	Ordinary	80 %
Commodity Centre Belgium Forwarding BVBA	Belgium	Ordinary	80 %
Commodity Technical Services Limited	England and Wales	Ordinary	100 %
Commodity Centre Falcon Terminal Limited	England and Wales	Ordinary	80 %
Commodity Centre Falcon BV	Netherlands	Ordinary	80 %
Commodity Centre Osprey Terminal Limited	England and Wales	Ordinary	90 %
Commodity Centre Netherlands (Osprey) BV	Netherlands	Ordinary	90 %

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Stocks

	Group	Group
	2021	As restated
	£	2020
		£
Work in progress	6,914,923	5,895,826
Stock	927,406	804,393
	<u>7,842,329</u>	<u>6,700,219</u>

No stock is held in the Parent Company.

A prior year reclassification has been made to better classify the work in progress element of stock. The total stock balance at 31 March 2020 has not changed and this reclassification did not impact the Group's total reserves nor its profit for the year.

15. Debtors: Amounts falling due within one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	2,435,001	2,319,329	-	-
Other debtors	1,715,294	2,260,230	-	6
Prepayments and accrued income	1,674,582	1,939,722	-	-
Tax recoverable	9,271	43,987	-	-
	<u>5,834,148</u>	<u>6,563,268</u>	<u>-</u>	<u>6</u>

16. Cash and cash equivalents

	Group	Group	Company	Company
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand	2,316,563	854,667	45	47
Less: bank overdrafts	(668,980)	(1,630,897)	-	-
	<u>1,647,583</u>	<u>(776,230)</u>	<u>45</u>	<u>47</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	2021	As restated	2021	As restated
	£	2020	£	2020
		£		£
Bank overdrafts	668,980	1,630,897	-	-
Bank loans	1,818,002	1,512,735	-	-
Other loans	300,000	-	-	-
Trade creditors	3,574,739	3,449,571	-	-
Amounts owed to group undertakings	-	-	189,512	263,876
Other taxation and social security	143,700	168,813	-	-
Obligations under finance lease and hire purchase contracts	777,684	467,429	-	-
Other creditors	862,197	393,094	116,264	-
Accruals and deferred income	5,502,489	3,510,648	-	-
	<u>13,647,791</u>	<u>11,133,187</u>	<u>305,776</u>	<u>263,876</u>

Bank loans and overdrafts are secured by way of a debenture and fixed charge over all assets of the Group. An unlimited multilateral guarantee is in place between Commodity Centre (Group) Limited, Commodity Centre Limited, Routebuy Limited, Commodity Centre UK Limited, Commodity Centre Europe Limited, Commodity Technical Services Limited, Commodity Centre Property Holdings Limited, Quantuvis Limited, Commodity Centre Falcon Terminal Limited, Commodity Store Limited, Commodity Centre Osprey Holdings Limited and Commodity Centre Osprey Terminal Limited.

Other loans totalling £2,000,000 split between due less than one year and more than one year are secured by way of a personal 10% guarantee provided by the main shareholder of the Group.

Finance leases and hire purchase contracts are secured against the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	Group	Group
	2021	As restated
	£	2020
		£
Other creditors	2,817,459	1,331,505
Other loans	1,700,000	-
Revolving credit facilities	4,000,000	4,357,920
Bank loans	25,052,147	25,072,739
Net obligations under finance leases and hire purchase contracts	1,828,450	501,797
	<u>35,398,056</u>	<u>31,263,961</u>

Included within the overall financing facilities of the Group are £4,000,000 (2020 - £4,357,920) of Revolving Credit Facilities, of which £NIL (2020 - £NIL) has been disclosed within Creditors: Amounts falling due within one year, and £4,000,000 (2020 - £4,357,920) which has been disclosed as Creditors: Amounts falling due after more than one year. These facilities are maintained at a consistent level to fund the long term working capital requirements of the Group. The Directors consider that the facility should be classified as a long term liability to enable a clear understanding of the financing structure for the Group.

Securities over bank loans, other loans, finance leases and hire purchases contracts are included in Note 17.

No long term creditors are held in the Parent Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Loans

	Group 2021 £	Group 2020 £
Amounts falling due within one year		
Bank loans	1,818,002	1,512,735
Other loans	300,000	-
Amounts falling due 1-2 years		
Bank loans	2,560,168	1,602,373
Other loans	1,700,000	-
Amounts falling due 2-5 years		
Bank loans	4,697,470	4,274,839
Amounts falling due after more than 5 years		
Bank loans	17,794,509	19,195,527
	<u>28,870,149</u>	<u>26,585,474</u>

Securities over bank loans, other loans, finance leases and hire purchase contracts are included in Note 17.

No bank loans are held in the Parent Company.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	777,684	467,429
Between 1-5 years	1,828,450	501,797
	<u>2,606,134</u>	<u>969,226</u>

No hire purchase contracts or finance leases are held in the Parent Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>4,051,222</u>	<u>4,559,846</u>	<u>-</u>	<u>6</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(41,527,960)</u>	<u>(36,228,739)</u>	<u>(305,776)</u>	<u>(263,876)</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. Deferred taxation

Group

	2021 £	2020 As restated £
At beginning of year	2,620,000	566,000
Charged to profit or loss	125,893	249,000
Charged to other comprehensive income	(476,376)	1,805,000
On acquisition of subsidiary	716,913	-
Exchange adjustments	(31,430)	-
At end of year	<u>2,955,000</u>	<u>2,620,000</u>

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group As restated 2020 £
Fixed asset timing differences	2,396,000	2,111,000
Short term timing differences	(2,000)	29,000
Capital gains / (losses)	561,000	480,000
	<u>2,955,000</u>	<u>2,620,000</u>

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
5,001 (2020 - 5,001) Ordinary shares of £0.01 each	<u>50</u>	<u>50</u>
Allotted, uncalled and partly paid		
556 (2020 - 556) Ordinary shares of £0.01 each	<u>6</u>	<u>6</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Reserves

Revaluation reserve

The Revaluation reserve represents the accumulated revaluation gains and losses on Freehold property. The movement between the Profit and loss account and the Revaluation reserve of £317,637 represents annual depreciation released on Freehold property.

Foreign exchange reserve

The Foreign exchange reserve represents the accumulation of unrealised foreign exchange differences arising from the consolidation of foreign subsidiaries with differing functional and presentational currencies into the consolidated Group financial statements. These reserves are non-distributable.

Merger Reserve

The Merger reserve relates to the adjustment arising on the adoption of merger accounting principles on certain business combinations.

Profit and loss account

The Profit and loss account represents the accumulation of retained profits, net of dividends, which are in the form of distributable reserves.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Business combinations

Acquisition of Waagnatie NV, W-IMMO-MAT BVBA and Erus Metals Limited in the reporting period. The below note combines all acquisitions.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	1,124,276	4,381,163	5,505,439
	<u>1,124,276</u>	<u>4,381,163</u>	<u>5,505,439</u>
Current assets			
Debtors	347,616	-	347,616
Cash at bank and in hand	293,496	-	293,496
	<u>1,765,388</u>	<u>4,381,163</u>	<u>6,146,551</u>
Total assets			
Creditors			
Due within one year	(770,092)	-	(770,092)
Due after one year	(933,814)	-	(933,814)
Deferred tax	-	(716,913)	(716,913)
	<u>61,482</u>	<u>3,664,250</u>	<u>3,725,732</u>
Total identifiable net assets			
Goodwill			(2,569,949)
			<u>1,155,783</u>
Total purchase consideration			
Consideration			£
Cash			1,155,783
			<u>1,155,783</u>
Total purchase consideration			<u>1,155,783</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	727,090
Directly attributable costs	428,693
	<u>1,155,783</u>
Net cash outflow on acquisition	<u>1,155,783</u>

The combined results of all companies since their acquisition are as follows:

	Current period since acquisition £
Turnover	<u>304,522</u>
Profit for the year	<u>75,896</u>

26. Prior year adjustment

The results for the year ended 31 March 2020 have been adjusted to recognise deferred tax of £1,805,000 on the revaluation of freehold properties. As a result, comparative information in these financial statements have been restated with the deferred tax liability increasing by that amount, with the revaluation reserve reducing by £1,444,120 and non-controlling interest reducing by £360,880. This has also caused the split between non-controlling interest and owners of the parent company changing on the face of Consolidated Statement of Comprehensive Income.

The results for the year ended 31 March 2020 have been adjusted to present other creditors between the Group and a third party as greater than one year from less than one year. As a result, Creditors: Amounts falling due after more than one year have increased by £1,331,505 and Creditors: Amounts falling due within one year have decreased by the same amount. This reclassification had no impact on the Group's net assets nor its result for the year.

27. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £109,876 (2020 - £105,070). Contributions totalling £12,952 (2020 - £18,286) were payable at the Balance Sheet date and are included within Creditors: Amounts falling due within one year - Other creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

28. Commitments under operating leases

At 31 March 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	4,289,251	4,015,587
Later than 1 year and not later than 5 years	5,820,552	5,756,069
	<u>10,109,803</u>	<u>9,771,656</u>

No operating leases are held in the Parent Company.

29. Related party transactions

The Group has taken advantage of the exemption in Section 33.1A in FRS 102 from the requirement to disclose transactions entered into with its wholly owned subsidiaries, or with any other wholly owned members of the Group.

During the year Mr A Gunn, a Director of the Group, paid advances of £559,322 (2020 – £90,337). At the Balance Sheet date, he was due £99,073 (2020 - owed £460,249) in respect of his Director's current account. During the year Mr D Warriner, a Director of the Group, received advances of £28,764 (2020 – repaid advances of £25,209). At the Balance Sheet date, he was due £2,570 (2020 - £31,334) in respect of his Director's current account. All loans to Directors are interest free.

During the year USUS Investment Limited, a company in which Mr A Gunn is a Director, received loans totalling £838,331 (2020 – repaid loans of £49,272). At the Balance Sheet date, the Group was owed £1,062,809 (2020 - £190,659) by USUS Investments Limited.

Key Management is defined as employees who take an active role in the management team. In the current and previous year this included the remunerated Directors of the Commodity Centre (Group) Limited and the senior leadership team whereas in the previous year this included the remunerated Directors of the Commodity Centre (Group) Limited only. The aggregate cost of Key Management Personnel, including employers' national insurance and pension contributions was £955,297 (2020 - £653,372).

Commodity Centre Property Holdings Limited

During the year the Group entered into transactions with Commodity Centre Property Holdings Limited a company controlled but not 100% owned. At the Balance Sheet date an amount of £20 was owed to the Group (2020 - £20).

Commodity Centre Europe Limited

During the year the Group entered into transactions with Commodity Centre Europe Limited a company controlled but not 100% owned. Commodity Centre Europe Limited made net purchases from the Group of £7,382,321 (2020 - £7,869,476). At the Balance Sheet date an amount of £3,119,775 was owed from the Group (2020 - £2,589,313).

29. Related party transactions (continued)

30. Controlling party

Mr A Gunn was the ultimate controlling party of the Group throughout the current and previous period, by virtue of his majority shareholding.

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