

SILVERY TWEED CEREALS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2006



Company Registration Number 3934026

Tenon
Accountants & Business Advisers
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

SILVERY TWEED CEREALS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 APRIL 2006

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SILVERY TWEED CEREALS LIMITED
INDEPENDENT AUDITOR'S REPORT TO SILVERY TWEED CEREALS
LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Silvery Tweed Cereals Limited for the year ended 30 April 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Tenon House
Ferryboat Lane
Sunderland
SR5 3JN

22 February 2007

SILVERY TWEED CEREALS LIMITED

ABBREVIATED BALANCE SHEET

30 APRIL 2006

	Note	2006 £	£	2005 £	£
Current assets					
Stocks		936,358		-	
Debtors		2,398,351		1	
Cash at bank and in hand		427		-	
		<u>3,335,136</u>		<u>1</u>	
Creditors: Amounts falling due within one year	2	<u>(2,933,461)</u>		<u>-</u>	
Net current assets			401,675		1
Total assets less current liabilities			<u>401,675</u>		<u>1</u>
Capital and reserves					
Called-up share capital	4		1		1
Profit and loss account			401,674		-
Shareholders' funds			<u>401,675</u>		<u>1</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 22 February 2007 and are signed on their behalf by:



Mr R C Dickinson
Managing Director

The notes on pages 3 to 4 form part of these abbreviated accounts.

SILVERY TWEED CEREALS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 APRIL 2006

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Cash flow statement

The company has taken advantage of the exemption in FRS 1 "Cash flow statements (revised 1996)" from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

Stocks of raw materials and consumables

Stocks of raw materials and consumables are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is purchase cost on a first-in, first-out basis. Net realisable value is the estimated proceeds from the sale of items of stock less all further costs to completion.

Stocks of finished goods

Stocks of finished goods are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is cost of direct materials plus attributable labour and overheads based on a normal level of activity. Net realisable value is the estimated proceeds from the sale of items of stock less all costs to be incurred in marketing, selling and distributing directly related to the items in question.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SILVERY TWEED CEREALS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 APRIL 2006

2. Creditors: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2006 £	2005 £
Bank loans and overdrafts	<u>154,712</u>	<u>-</u>

3. Related party transactions

On 1 May 2005, the company's cereal milling business was transferred, for consideration of £Nil, from H O Short & Son Limited, the ultimate parent company. During the year, the company paid management charges of £444,000 (2005 - £Nil) to H O Short & Son Limited. At the balance sheet date, the company owed H O Short & Son Limited £75,399 (2005 - £Nil).

4. Share capital

Authorised share capital:

	2006 £	2005 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2006		2005
	No	£	No
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>

5. Ultimate parent company

The ultimate parent company is H O Short & Son Limited, a company incorporated in the United Kingdom.

6. Ultimate controlling party

The company was under the control of Mr T B S Gladstone, a director of the ultimate parent company, and Mr R A S Gladstone and members of their close families throughout the current and previous year.