

**SILVERY TWEED CEREALS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2012**

**Company Registration Number 3934026**

WEDNESDAY



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07/11/2012

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COMPANIES HOUSE

**RSM Tenon Limited**  
Accountants and Business Advisers  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

**SILVERY TWEED CEREALS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

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**SILVERY TWEED CEREALS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 30 APRIL 2012**

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**The board of directors**

Mr R S Gladstone  
Mr M Topley  
Mr A J Tullis  
Mr M A Mole

**Company secretary**

Mrs L Douglas

**Business address**

Tweedside Trading Estate  
Tweedmouth  
Berwick-upon-Tweed  
TD15 2XF

**Registered office**

Tweedside Trading Estate  
Tweedmouth  
Berwick-upon-Tweed  
TD15 2XF

**Auditor**

RSM Tenon Audit Limited  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

**Accountants**

RSM Tenon Limited  
Accountants and Business Advisers  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

**Bankers**

Yorkshire Bank Plc  
29 Pilgrim Street  
Newcastle upon Tyne  
NE1 6RL

# **SILVERY TWEED CEREALS LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 APRIL 2012**

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The directors present their report and the financial statements of the company for the year ended 30 April 2012

### **Principal activities and business review**

The principal activity of the company during the year was milling, blending and coating food ingredients

During the year, turnover increased to £15,109,712 (2011 - £14,550,751) In line with increased turnover, the gross profit percentage has increased to 17%, (2011 - 15%), and operating profit percentage increased to 10% (2011 0.4%)

The directors are delighted with the improvement in performance compared to the previous financial year, which they are confident will continue in to the 2012/13 financial year

The management team have built up an organisation of which the shareholders can be justifiably proud and reflects the investment made in modern equipment

### **Results and dividends**

The profit for the year, after taxation, amounted to £120,551 The directors have not recommended a dividend

### **Financial risk management objectives and policies**

The company finances its operations through a mixture of retained profits and where necessary to fund its operating cash requirements, through use of a bank overdraft The management's objectives are to

a) retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due whilst maximising returns on surplus funds, and

b) minimise the company's exposure to fluctuating interest rates when seeking borrowings,

As all of the company's surplus funds are invested in Sterling bank accounts and all of its borrowings are obtained from standard bank overdrafts there is no price risk All banking arrangements are with Yorkshire Bank PLC and the directors believe their choice of banks minimises any credit risk

### **Research and development**

Ongoing new product development across all product ranges of the business continued, particularly in the coating of cereal flakes, clusters and fibres

# **SILVERY TWEED CEREALS LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30 APRIL 2012**

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### **Directors**

The directors who served the company during the year were as follows

Mr R S Gladstone  
Mr M Topley  
Mr A J Tullis  
Mr M A Mole

Mr A J Tullis was appointed as a director on 28 February 2012  
Mr M A Mole was appointed as a director on 1 December 2011

### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are, individually, aware

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**SILVERY TWEED CEREALS LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30 APRIL 2012**

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**Donations**

During the year the company made the following contributions

|            | <b>2012</b>         | <b>2011</b>         |
|------------|---------------------|---------------------|
|            | <b>£</b>            | <b>£</b>            |
| Charitable | <b><u>1,073</u></b> | <b><u>1,150</u></b> |

Signed on behalf of the directors

R S Gladstone

Director



Approved by the directors on 23 October 2012

# **SILVERY TWEED CEREALS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERY TWEED CEREALS LIMITED**

**YEAR ENDED 30 APRIL 2012**

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We have audited the financial statements of Silvery Tweed Cereals Limited for the year ended 30 April 2012 on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**SILVERY TWEED CEREALS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVERY**  
**TWEED CEREALS LIMITED** *(continued)*

**YEAR ENDED 30 APRIL 2012**

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**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Kevin Rooney, Senior Statutory Auditor  
For and on behalf of

*RSM Tenon Audit Limited*

RSM Tenon Audit Limited  
Statutory Auditor  
Tenon House  
Ferryboat Lane  
Sunderland  
SR5 3JN

23 October 2012

**SILVERY TWEED CEREALS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 APRIL 2012**

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|                                                      | <b>Note</b> | <b>2012<br/>£</b> | <b>2011<br/>£</b> |
|------------------------------------------------------|-------------|-------------------|-------------------|
| <b>Turnover</b>                                      | 2           | 15,109,712        | 14,550,751        |
| Cost of sales                                        |             | (12,546,495)      | (12,337,339)      |
| <b>Gross profit</b>                                  |             | <u>2,563,217</u>  | <u>2,213,412</u>  |
| Distribution costs                                   |             | (1,235,058)       | (1,012,351)       |
| Administrative expenses                              |             | (1,173,236)       | (1,146,741)       |
| <b>Profit on ordinary activities before taxation</b> |             | <u>154,923</u>    | <u>54,320</u>     |
| Tax on profit on ordinary activities                 | 6           | (34,372)          | (414)             |
| <b>Profit for the financial year</b>                 |             | <u>120,551</u>    | <u>53,906</u>     |

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All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 16 form part of these financial statements

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**SILVERY TWEED CEREALS LIMITED**

Registered Number 3934026

**BALANCE SHEET****30 APRIL 2012**

|                                                       | Note | 2012<br>£          | £                | 2011<br>£          | £                |
|-------------------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                                   |      |                    |                  |                    |                  |
| Intangible assets                                     | 7    |                    | 330,585          |                    | 322,818          |
| <b>Current assets</b>                                 |      |                    |                  |                    |                  |
| Stocks                                                | 8    | 784,828            |                  | 695,962            |                  |
| Debtors                                               | 9    | 2,907,977          |                  | 3,007,990          |                  |
| Cash at bank and in hand                              |      | 8,867              |                  | 277                |                  |
|                                                       |      | <u>3,701,672</u>   |                  | <u>3,704,229</u>   |                  |
| <b>Creditors: Amounts falling due within one year</b> | 11   | <u>(2,702,576)</u> |                  | <u>(2,817,917)</u> |                  |
| <b>Net current assets</b>                             |      |                    | 999,096          |                    | 886,312          |
| <b>Total assets less current liabilities</b>          |      |                    | <u>1,329,681</u> |                    | <u>1,209,130</u> |
| <b>Capital and reserves</b>                           |      |                    |                  |                    |                  |
| Called-up share capital                               | 15   |                    | 1                |                    | 1                |
| Profit and loss account                               | 16   |                    | 1,329,680        |                    | 1,209,129        |
| <b>Shareholders' funds</b>                            | 17   |                    | <u>1,329,681</u> |                    | <u>1,209,130</u> |

These financial statements were approved by the directors and authorised for issue on 23 October 2012, and are signed on their behalf by

R S Gladstone  
Director



The notes on pages 9 to 16 form part of these financial statements

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

**Turnover**

Turnover shown within the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, and is recognised upon despatch of goods

**Research and development expenditure**

Expenditure on pure and applied research is charged to the profit and loss account during the year in which it is incurred

Development expenditure incurred on clearly defined projects whose outcome can be assessed with reasonable certainty is carried forward and amortisation is charged from commencement of full commercial production over the lesser of the life of the project or three years

Development expenditure is reviewed on a regular basis for impairment, and provisions are made to write down the carrying value to the recoverable amount where performance has not been deemed by the directors to meet expectations

**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 selling price less an adjustment for estimated profit, as in the opinion of the directors this is not materially different from a valuation based on the lower of cost and net realisable value, and is the only practical method available to arrive at a figure which approximates the lower of cost and net realisable value

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

**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

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

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**1. Accounting policies *(continued)***

**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

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

**Financial instruments**

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument

If a financial instrument contains both an equity and a liability element, then the liability element is first established with any residual value being disclosed within equity shareholders' funds. The liability element is the present value of the future payments guaranteed to be made to the holders of the financial instrument

Non-discretionary dividends payable are disclosed within interest in the company's profit and loss account

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

**2 Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

|                | <b>2012</b>       | <b>2011</b>       |
|----------------|-------------------|-------------------|
|                | <b>£</b>          | <b>£</b>          |
| United Kingdom | 14,971,303        | 14,454,221        |
| Europe         | 127,316           | 76,140            |
| Rest of world  | 11,093            | 20,390            |
|                | <u>15,109,712</u> | <u>14,550,751</u> |

**3 Operating profit**

Operating profit is stated after charging

|                        | <b>2012</b>       | <b>2011</b>       |
|------------------------|-------------------|-------------------|
|                        | <b>£</b>          | <b>£</b>          |
| Operating lease costs  |                   |                   |
| -Plant and machinery   | 48,500            | 31,850            |
| Auditor's remuneration | 9,500             | 9,250             |
|                        | <u>          </u> | <u>          </u> |

|                                                            | <b>2012</b>       | <b>2011</b>       |
|------------------------------------------------------------|-------------------|-------------------|
|                                                            | <b>£</b>          | <b>£</b>          |
| Auditor's remuneration - audit of the financial statements | 9,500             | 9,250             |
|                                                            | <u>          </u> | <u>          </u> |

**4. Particulars of employees**

The average number of staff employed by the company during the financial year amounted to

|                                | <b>2012</b> | <b>2011</b> |
|--------------------------------|-------------|-------------|
|                                | <b>No</b>   | <b>No</b>   |
| Number of production staff     | 57          | 61          |
| Number of distribution staff   | 2           | 1           |
| Number of administrative staff | 9           | 8           |
|                                | <u>68</u>   | <u>70</u>   |

The aggregate payroll costs of the above were

|                       | <b>2012</b>      | <b>2011</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 1,519,740        | 1,449,381        |
| Social security costs | 147,232          | 137,055          |
| Other pension costs   | 7,828            | 6,362            |
|                       | <u>1,674,800</u> | <u>1,592,798</u> |

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

**5. Directors' remuneration**

The directors' aggregate remuneration and other payments in respect of qualifying services were

|                                                                  | 2012<br>£      | 2011<br>£      |
|------------------------------------------------------------------|----------------|----------------|
| Remuneration receivable                                          | 240,197        | 188,734        |
| Value of company pension contributions to money purchase schemes | 1,950          | 1,950          |
| Compensation for loss of directorship                            | —              | 13,433         |
|                                                                  | <u>242,147</u> | <u>204,117</u> |

**Remuneration of highest paid director:**

|                                                      | 2012<br>£     | 2011<br>£     |
|------------------------------------------------------|---------------|---------------|
| Total remuneration (excluding pension contributions) | <u>70,000</u> | <u>70,000</u> |

The number of directors on whose behalf the company made pension contributions was as follows

|                        | 2012<br>No | 2011<br>No |
|------------------------|------------|------------|
| Money purchase schemes | <u>1</u>   | <u>1</u>   |

**6. Taxation on ordinary activities**

**(a) Analysis of charge in the year**

|                                                | 2012<br>£    | £             | 2011<br>£  | £          |
|------------------------------------------------|--------------|---------------|------------|------------|
| UK Corporation tax                             |              | 34,894        |            | —          |
| Deferred tax                                   |              |               |            |            |
| Origination and reversal of timing differences | <u>(522)</u> |               | <u>414</u> |            |
| Total deferred tax (note 10)                   |              | (522)         |            | 414        |
| Tax on profit on ordinary activities           |              | <u>34,372</u> |            | <u>414</u> |

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

**6. Taxation on ordinary activities (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 25 84% (2011 - 27 84%)

|                                                         | <b>2012</b>    | <b>2011</b>   |
|---------------------------------------------------------|----------------|---------------|
|                                                         | <b>£</b>       | <b>£</b>      |
| Profit on ordinary activities before taxation           | <u>154,923</u> | <u>54,320</u> |
| Profit on ordinary activities by rate of tax            | 40,032         | 15,123        |
| Effects of                                              |                |               |
| Expenses not deductible for tax purposes                | 328            | 305           |
| Capital allowances for period in excess of depreciation | (426)          | (414)         |
| Tax chargeable at lower rates                           | (5,040)        | 143           |
| Group relief claimed                                    | -              | (15,157)      |
| Total current tax (note 6(a))                           | <u>34,894</u>  | <u>-</u>      |

**7. Intangible fixed assets**

|                                 | <b>Development expenditure</b> |
|---------------------------------|--------------------------------|
|                                 | <b>£</b>                       |
| <b>Cost</b>                     |                                |
| At 1 May 2011                   | 322,818                        |
| Additions                       | <u>7,767</u>                   |
| At 30 April 2012                | <u>330,585</u>                 |
| <b>Amortisation</b>             |                                |
| At 1 May 2011 and 30 April 2012 | <u>-</u>                       |
| <b>Net book value</b>           |                                |
| At 30 April 2012                | <u>330,585</u>                 |
| At 30 April 2011                | <u>322,818</u>                 |

**8. Stocks**

|                | <b>2012</b>    | <b>2011</b>    |
|----------------|----------------|----------------|
|                | <b>£</b>       | <b>£</b>       |
| Raw materials  | 351,835        | 350,509        |
| Finished goods | <u>432,993</u> | <u>345,453</u> |
|                | <u>784,828</u> | <u>695,962</u> |

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

**9. Debtors**

|                                    | 2012<br>£        | 2011<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 1,584,783        | 1,824,153        |
| Amounts owed by group undertakings | 1,091,878        | 1,017,123        |
| VAT recoverable                    | 52,618           | 73,259           |
| Other debtors                      | 7,271            | 1                |
| Prepayments and accrued income     | 169,065          | 91,614           |
| Deferred taxation (note 10)        | 2,362            | 1,840            |
|                                    | <u>2,907,977</u> | <u>3,007,990</u> |

**10. Deferred taxation**

The deferred tax included in the Balance sheet is as follows

|                              | 2012<br>£    | 2011<br>£    |
|------------------------------|--------------|--------------|
| Included in debtors (note 9) | <u>2,362</u> | <u>1,840</u> |

The movement in the deferred taxation account during the year was

|                                                          | 2012<br>£    | 2011<br>£    |
|----------------------------------------------------------|--------------|--------------|
| At 1 May 2011                                            | 1,840        | 2,254        |
| Profit and loss account movement arising during the year | <u>522</u>   | <u>(414)</u> |
| At 30 April 2012                                         | <u>2,362</u> | <u>1,840</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

|                                                 | 2012<br>£    | 2011<br>£    |
|-------------------------------------------------|--------------|--------------|
| Excess of depreciation over taxation allowances | 1,597        | 1,109        |
| Other timing differences                        | <u>765</u>   | <u>731</u>   |
|                                                 | <u>2,362</u> | <u>1,840</u> |

**11. Creditors: Amounts falling due within one year**

|                              | 2012<br>£        | 2011<br>£        |
|------------------------------|------------------|------------------|
| Overdrafts                   | 650,188          | 868,043          |
| Trade creditors              | 1,789,164        | 1,746,613        |
| Corporation tax              | 34,894           | —                |
| PAYE and social security     | 35,805           | 31,938           |
| Other creditors              | 20,795           | —                |
| Accruals and deferred income | 171,730          | 171,323          |
|                              | <u>2,702,576</u> | <u>2,817,917</u> |

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

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**11. Creditors: Amounts falling due within one year (continued)**

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

|            | <b>2012</b>    | <b>2011</b>    |
|------------|----------------|----------------|
|            | <b>£</b>       | <b>£</b>       |
| Overdrafts | <u>650,188</u> | <u>868,043</u> |

The bank overdraft is secured by way of a fixed and floating debenture charge granted by Silvery Tweed Cereals Limited over all of the assets of the company

**12. Creditors - capital instruments**

Creditors include finance capital which is due for repayment as follows

|                                  | <b>2012</b>    | <b>2011</b>    |
|----------------------------------|----------------|----------------|
|                                  | <b>£</b>       | <b>£</b>       |
| Amounts repayable                |                |                |
| In one year or less or on demand | <u>650,188</u> | <u>868,043</u> |

**13. Commitments under operating leases**

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as set out below

|                               | <b>Other</b>  | <b>Other</b>  |
|-------------------------------|---------------|---------------|
|                               | <b>2012</b>   | <b>2011</b>   |
|                               | <b>£</b>      | <b>£</b>      |
| Operating leases which expire |               |               |
| Within 1 year                 | 348           | -             |
| Within 2 to 5 years           | 47,487        | 36,379        |
| After more than 5 years       | 9,200         | 11,804        |
|                               | <u>57,035</u> | <u>48,183</u> |

**14 Related party transactions**

The company is a wholly owned subsidiary of H O Short & Son Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with H O Short & Son Limited and its wholly owned subsidiaries.

At 30 April 2012 the company was owed £454,335 (2011 £454,335) by a 70% owed subsidiary of H O Short & Son Limited, Cereal Foods USA LLC, a Limited Liability Company incorporated in the USA.

There exists a Cross Corporate Guarantee between Silvery Tweed Cereals Limited and H O Short & Son Limited.

**SILVERY TWEED CEREALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 APRIL 2012**

**15 Share capital**

**Authorised share capital:**

|                                    | <b>2012</b><br>£ | <b>2011</b><br>£ |
|------------------------------------|------------------|------------------|
| 100,000 Ordinary shares of £1 each | <u>100,000</u>   | <u>100,000</u>   |

**Allotted, called up and fully paid:**

|                              | <b>2012</b><br>No | £        | <b>2011</b><br>No | £        |
|------------------------------|-------------------|----------|-------------------|----------|
| 1 Ordinary shares of £1 each | <u>1</u>          | <u>1</u> | <u>1</u>          | <u>1</u> |

**16. Profit and loss account**

|                               | <b>2012</b><br>£ | <b>2011</b><br>£ |
|-------------------------------|------------------|------------------|
| Balance brought forward       | 1,209,129        | 1,155,223        |
| Profit for the financial year | 120,551          | 53,906           |
| Balance carried forward       | <u>1,329,680</u> | <u>1,209,129</u> |

**17. Reconciliation of movements in shareholders' funds**

|                               | <b>2012</b><br>£ | <b>2011</b><br>£ |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 120,551          | 53,906           |
| Opening shareholders' funds   | 1,209,130        | 1,155,224        |
| Closing shareholders' funds   | <u>1,329,681</u> | <u>1,209,130</u> |

**18. Ultimate parent company and controlling party**

The ultimate parent company is H O Short & Son Limited, a company incorporated in the United Kingdom. The consolidated financial statements of H O Short & Son Limited can be obtained from Companies House.

In the opinion of the directors H O Short & Son Limited is not controlled by any single party.