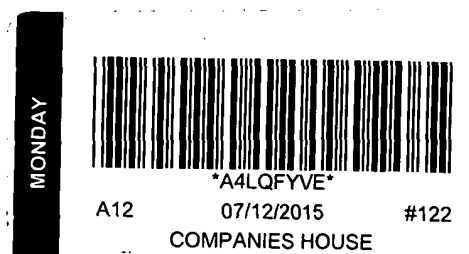


SILVERY TWEED CEREALS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2015

Company Registration Number 03934026



RSM UK Tax and Accounting Limited
Chartered Accountants
1 St James Gate
Newcastle upon Tyne
NE1 4AD

SILVERY TWEED CEREALS LIMITED,

COMPANY INFORMATION

Directors	Mr R S Gladstone Mr A J Tullis Mr M A Mole Mr P R Thompson
Secretary	Mrs L Douglas
Company number	03934026
Registered office	Tweedside Trading Estate Tweedmouth Berwick-upon-Tweed TD15 2XF
Auditors	RSM UK Audit LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD
Business address	Tweedside Trading Estate Tweedmouth Berwick-upon-Tweed TD15 2XF
Bankers	Yorkshire Bank 29 Pilgrim Street Newcastle Upon Tyne NE1 6RL

SILVERY TWEED CEREALS LIMITED,

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present the strategic report and financial statements for the year ended 30 April 2015.

Review of the business

During the year, turnover increased to £20,461,229 (2014: £19,935,189). Gross profit and operating profit before exceptional items have continued to experience an improvement.

In the current year the directors have written off development costs and this is shown as an exceptional item.

The exceptional item in the prior year related to the forgiveness of the intercompany balance with Cereal Foods USA LLC.

The directors are pleased with the continued improvement in performance compared to the previous financial year and are confident this will continue in to the 2015/16 financial year.

Financial risk management objectives & policies

The company finances its operations through a mixture of retained profits and where necessary to fund its operating cash requirements, through the 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 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 bank minimised any credit risk.

Research & Development

New product development is on the increase, and has directly contributed to the increase in sales over the past two years. Silvery Tweed's New Product Development programme is concentrated on the cereal, seed, blending and coating markets and working closely with our customers we will continue to develop world class ingredients.

Further investment in NPD will ensure that we increase our ability to bring commercial and innovative new products to our customers.

On behalf of the board



Mr R S Gladstone

Director

25 November 2015

SILVERY TWEED CEREALS LIMITED,

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and financial statements for the year ended 30 April 2015.

Principal activities

The principal activity of the company continued to be that of milling, blending and coating food ingredients.

Results and dividends

The company's trading profit for the year, after taxation was £569,098 (2014 profit £137,764).

Directors

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

Mr R S Gladstone

Mr M Topley

(Resigned 29 May 2015)

Mr A J Tullis

Mr M A Mole

Mr P R Thompson

(Appointed 13 July 2015)

Auditors

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Donations

During the year the company donated £2,955 (2014: £2,942) to charitable causes.

On behalf of the board



Mr R S Gladstone

Director

25 November 2015

SILVERY TWEED CEREALS LIMITED,

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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

We have audited the financial statements of Silvery Tweed Cereals Limited, for the year ended 30 April 2015 set out on pages 5 to 14. 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 pages 2, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

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 2015 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 matter prescribed by the Companies Act 2006

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

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.

RSM UK Audit LLP

Kevin Rooney (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

4 December 2015

SILVERY TWEED CEREALS LIMITED,

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2015

	Notes	2015 £	2014 £
Turnover	2	20,461,229	19,935,189
Cost of sales		(16,541,722)	(16,531,323)
Gross profit		3,919,507	3,403,866
Distribution costs		(1,558,990)	(1,254,902)
Administrative expenses (including exceptional items of £330,585 (2014 - £454,334))	3	(1,743,158)	(1,896,091)
Profit on ordinary activities before taxation	3	617,359	252,873
Tax on profit on ordinary activities	6	(48,261)	(115,109)
Profit for the financial year	13	569,098	137,764

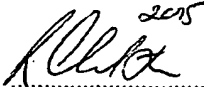
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SILVERY TWEED CEREALS LIMITED,**BALANCE SHEET
AS AT 30 APRIL 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets			-		330,585
Current assets					
Stocks	8	1,799,874		1,730,481	
Debtors	9	3,716,879		3,199,819	
Cash at bank and in hand		146,119		176,295	
		5,662,872		5,106,595	
Creditors: amounts falling due within one year	10	(3,395,894)		(3,739,300)	
Net current assets			2,266,978		1,367,295
Total assets less current liabilities			2,266,978		1,697,880
Net assets			2,266,978		1,697,880
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		2,266,977		1,697,879
Shareholders' funds	14		2,266,978		1,697,880

The financial statements on pages 5 to 14 were approved by the board of directors and authorised for issue on 25 November 2015 and are signed on its behalf by:



Mr R S Gladstone
Director

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going Concern

Given the positive trends in trading, the Directors consider the company has adequate resources available to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Research and development

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 bases 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.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Stock

Stocks of raw materials and consumables are valued at the lower of cost and net realisable value. Cost is purchase cost on a first in first out basis. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

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 approximated the lower of cost and net realisable value.

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Compound financial instruments include liability and equity components. The equity component is assigned the residual of the proceeds of issue after deducting the fair value of the liability component.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2015	2014
	£	£
United Kingdom	17,765,305	18,359,180
Europe	2,695,924	1,552,844
Rest of World	-	23,165
	<u>20,461,229</u>	<u>19,935,189</u>

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

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

3	Profit on ordinary activities before taxation	2015	2014
		£	£
	Profit on ordinary activities before taxation is stated after charging:		
	Operating lease rentals		
	- Plant and machinery	73,206	67,774
	Auditors' remuneration for statutory audit	9,895	9,700

The exceptional costs of £330,585 represent the write off of development costs.

The exceptional costs of £454,334 in the prior year related to the forgiveness of the intercompany loan to Cereal Foods USA LLC.

4 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015	2014
	Number	Number
Production	60	60
Distribution	4	2
Administration	9	8
	<u>73</u>	<u>70</u>

Employment costs	2015	2014
	£	£
Wages and salaries	1,837,767	1,771,533
Social security costs	167,952	170,480
Other pension costs	26,298	6,137
	<u>2,032,017</u>	<u>1,948,150</u>

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

5	Directors' remuneration	2015	2014
		£	£
	Remuneration for qualifying services	351,312	351,592
	Company contributions to money purchase pension schemes	2,100	2,100
		<u>353,412</u>	<u>353,692</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2014 - 3).

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

Remuneration for qualifying services	<u>89,811</u>	<u>95,398</u>
--------------------------------------	---------------	---------------

6	Tax on profit on ordinary activities	2015	2014
		£	£
	Current tax		
	U.K. corporation tax	44,452	112,175
	Adjustment in respect of prior years	3,648	2,738
	Total current tax	<u>48,100</u>	<u>114,913</u>
	Deferred tax		
	Origination and reversal of timing differences	161	196
	Total tax on profit on ordinary activities	<u>48,261</u>	<u>115,109</u>

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

6 Tax on profit on ordinary activities (Continued)

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 20.92% (2014 - 22.84%).

The differences are explained below:

Profit on ordinary activities before taxation	617,359	252,873
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.92% (2014 - 22.84%)	129,152	57,756
Effects of:		
Expenses not deductible for tax purposes	29,241	103,996
Capital allowances in excess of depreciation	(183)	(224)
Marginal relief	(1,220)	(1,779)
Group relief	(73,471)	(4,746)
Adjustments to previous periods	3,648	2,738
Other timing differences	2,908	-
Deduction for R&D expenditure	(41,975)	(42,817)
Rounding on tax charge	-	(11)
	(81,052)	57,157
Current tax charge for the year	48,100	114,913

7 Intangible fixed assets

Development Costs

	£
Cost	
At 1 May 2014 & at 30 April 2015	330,585
At 1 May 2014	-
Amounts written off	330,585
At 30 April 2015	330,585
Net book value	
At 30 April 2015	-
At 30 April 2014	330,585

8 Stocks

	2015 £	2014 £
Raw materials and consumables	1,229,391	1,002,088
Finished goods and goods for resale	570,483	728,393
	<u>1,799,874</u>	<u>1,730,481</u>

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

9	Debtors	2015 £	2014 £
	Trade debtors	1,918,268	2,205,766
	Amounts owed by group undertakings	1,535,880	612,037
	Other debtors	35,969	87,095
	Prepayments and accrued income	225,398	293,396
	Deferred tax asset (see note 11)	1,364	1,525
		<u>3,716,879</u>	<u>3,199,819</u>
10	Creditors: amounts falling due within one year	2015 £	2014 £
	Bank overdrafts	1,127,398	1,048,590
	Trade creditors	1,932,165	2,116,197
	Corporation tax	50,278	112,175
	Other taxation and social security costs	47,028	52,889
	Other creditors	171	35,742
	Accruals and deferred income	238,854	373,707
		<u>3,395,894</u>	<u>3,739,300</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.

Capital Instruments

Creditors include finance capital which is due for repayment in one year or less, or on demand of £1,127,398 (2014: £1,048,590).

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

11 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2015 £
Balance at 1 May 2014	(1,525)
Profit and loss account	161
	<u> </u>
Balance at 30 April 2015	<u>(1,364)</u>

	2015 £	2014 £
Decelerated capital allowances	(734)	(895)
Tax losses available	(630)	(630)
	<u> </u>	<u> </u>
	<u>(1,364)</u>	<u>(1,525)</u>

12 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary Share of £1 each	<u>1</u>	<u>1</u>

13 Profit and loss account

	Profit and loss account £
Balance at 1 May 2014	1,697,879
Profit for the year	<u>569,098</u>
Balance at 30 April 2015	<u>2,266,977</u>

14 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	569,098	137,764
Opening shareholders' funds	<u>1,697,880</u>	<u>1,560,116</u>
Closing shareholders' funds	<u>2,266,978</u>	<u>1,697,880</u>

SILVERY TWEED CEREALS LIMITED,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2015

15 Commitments under operating leases

At 30 April 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2016:

	Other	
	2015	2014
	£	£
Operating leases which expire:		
Between two and five years	31,271	31,271

16 Retirement Benefits

	2015	2014
	£	£
Contributions payable by the company for the year	26,298	6,137

17 Related party relationships and transactions

The company is a wholly owned subsidiary of H O Short & Son Limited, the consolidated accounts of which are publicly available. The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

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

18 Control

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 can be obtained from Companies House.

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