

Company Registration No. 03934026 (England and Wales)

SILVERY TWEED CEREALS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2016

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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
Auditor	RSM UK Audit LLP Chartered Accountants 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 2016

The directors present the strategic report for the year ended 30 April 2016.

Fair review of the business

During the year, turnover was £20,362,378 (2015: £20,461,229).

In the prior year the directors wrote off development costs and this is shown as an exceptional item.

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 2016/17 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 NPD 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

21/12/2016

SILVERY TWEED CEREALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2016

The directors present their annual report and financial statements for the year ended 30 April 2016.

Principal activities

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

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 A J Tullis

Mr M A Mole

Mr P R Thompson

(Appointed 13 July 2015)

Mr M Topley

(Resigned 29 May 2015)

Results and dividends

The results for the year are set out on page 5.

Auditor

RSM 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 auditor in the absence of an Annual General Meeting.

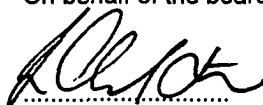
Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Donations

During the year the company donated £1,625 (2015: £2,955) to charitable causes.

On behalf of the board



Mr R S Gladstone

Director

21/12/2016

SILVERY TWEED CEREALS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2016

The directors are responsible for preparing the Strategic Report and 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 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

Opinion on financial statements

We have audited the financial statements on pages 5 to 17. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

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

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.

Respective responsibilities of directors and auditor

As more fully explained 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 (APB's) Ethical Standards for Auditors.

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.



Steven Cleugh (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
23/1/17

SILVERY TWEED CEREALS LIMITED

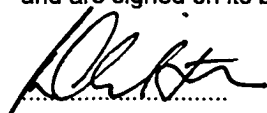
STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	20,362,378	20,461,229
Cost of sales		(16,703,234)	(16,541,722)
Gross profit		3,659,144	3,919,507
Distribution costs		(1,648,191)	(1,558,990)
Administrative expenses (including exceptional items of £nil (2015: £330,585))		(1,280,424)	(1,743,158)
Profit on ordinary activities before taxation		730,529	617,359
Taxation	7	(38,830)	(48,261)
Profit for the financial year	17	691,699	569,098
Retained earnings at 1 May 2015		2,266,977	1,697,879
Retained earnings at 30 April 2016		2,958,676	2,266,977

SILVERY TWEED CEREALS LIMITED**BALANCE SHEET****AS AT 30 APRIL 2016**

	Notes	2016 £	£	2015 £	£
Current assets					
Stocks	9	1,997,307		1,799,874	
Debtors	10	3,859,352		3,716,879	
Cash at bank and in hand		140,154		146,119	
		<u>5,996,813</u>		<u>5,662,872</u>	
Creditors: amounts falling due within one year	11	<u>(3,038,136)</u>		<u>(3,395,894)</u>	
Net current assets			<u>2,958,677</u>		<u>2,266,978</u>
Capital and reserves					
Called up share capital	16		1		1
Profit and loss reserves	17		<u>2,958,676</u>		<u>2,266,977</u>
Total equity			<u>2,958,677</u>		<u>2,266,978</u>

The financial statements were approved by the board of directors and authorised for issue on 21/12/2016 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 2016

1 Accounting policies

Company information

Silvery Tweed Cereals Limited is a company limited by shares incorporated in England and Wales. The registered office is Tweedside Trading Estate, Tweedmouth, Berwick-upon-Tweed, TD15 2XF.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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

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

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

First time adoption of FRS 102

These financial statements are the first financial statements of Silvery Tweed Cereals Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Silvery Tweed Cereals Limited for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 21.

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of H O Short & Son Limited. These consolidated financial statements are available from its registered office, Tweedside Trading Estate, Tweedmouth, Berwick-upon-Tweed, TD15 2XF.

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.

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Turnover

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 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

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.

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

Cash and cash equivalents

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

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

Impairment of financial assets

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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.

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.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

1 Accounting policies (Continued)

Employee benefits

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

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

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 the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Sale of goods	20,362,378	20,461,229

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	18,318,564	17,765,305
Europe	2,043,814	2,695,924
	<u>20,362,378</u>	<u>20,461,229</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	10,275	9,895
Fees payable to the company's auditors for other services	16,000	7,215
Exceptional write off of development costs	-	330,585
Cost of stocks recognised as an expense	14,917,897	14,943,104
Operating lease charges	57,243	73,206
	<u>14,991,415</u>	<u>16,358,005</u>

5 Employees

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

	2016 Number	2015 Number
Production	67	60
Distribution	5	4
Administration	10	9
	<u>82</u>	<u>73</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,965,660	1,837,767
Social security costs	163,807	167,952
Pension costs	18,118	26,298
	<u>2,147,585</u>	<u>2,032,017</u>

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	344,709	351,312
Company pension contributions to defined contribution schemes	2,405	2,100
	<u>347,114</u>	<u>353,412</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 3).

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

Remuneration for qualifying services	<u>103,368</u>	<u>89,811</u>
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7 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	57,947	44,452
Adjustments in respect of prior periods	(19,372)	3,648
Total current tax	<u>38,575</u>	<u>48,100</u>
Deferred tax		
Origination and reversal of timing differences	<u>255</u>	<u>161</u>
Total tax charge	<u>38,830</u>	<u>48,261</u>

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

7 Taxation (Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	730,529	617,359
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%)	146,106	129,152
Tax effect of expenses that are not deductible in determining taxable profit	1,842	29,241
Adjustments in respect of prior years	(19,372)	3,648
Group relief	(37,869)	(73,471)
Capital allowances in excess of depreciation	-	(183)
Marginal relief	-	(1,220)
Other timing differences	123	3,069
Deduction for R&D expenditure	(52,000)	(41,975)
Tax expense for the year	38,830	48,261

8 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
In respect of:		
Intangible assets	-	330,585
Recognised in:		
Administrative expenses	-	330,585

9 Stocks

	2016 £	2015 £
Raw materials and consumables	1,317,322	1,229,391
Finished goods and goods for resale	679,985	570,483
	1,997,307	1,799,874

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

10 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	2,043,515	1,918,268
Amounts due from fellow group undertakings	1,427,163	1,535,880
Other debtors	105,076	35,969
Prepayments and accrued income	282,489	225,398
	<u>3,858,243</u>	<u>3,715,515</u>
Deferred tax asset (note 14)	1,109	1,364
	<u>3,859,352</u>	<u>3,716,879</u>

11 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank overdrafts	13	428,834	1,127,398
Trade creditors		2,230,262	1,932,165
Corporation tax		57,947	50,278
Other taxation and social security		64,919	47,028
Other creditors		171	171
Accruals and deferred income		256,003	238,854
		<u>3,038,136</u>	<u>3,395,894</u>

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>3,470,678</u>	<u>3,490,117</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>2,915,270</u>	<u>3,298,588</u>

13 Borrowings

	2016 £	2015 £
Bank overdrafts	<u>428,834</u>	<u>1,127,398</u>
Payable within one year	<u>428,834</u>	<u>1,127,398</u>

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

13 Borrowings (Continued)

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. There is a cross corporate guarantee in relation to the bank overdraft between Silvery Tweed Cereals Limited and the ultimate parent company H O Short & Son Limited.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016 £	Assets 2015 £
Balances:		
Decelerated tax balances	542	734
Tax losses	567	630
	<u>1,109</u>	<u>1,364</u>
		2016 £
Movements in the year:		
Liability/(Asset) at 1 May 2015		(1,364)
Charge to profit or loss		255
		<u>(1,109)</u>

15 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £18,118 (2015: £26,298).

16 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary Share of £1 each	1	1
	<u>1</u>	<u>1</u>

The company's ordinary share, carries no right to fixed income, the share carries the right to one vote at general meetings of the company.

SILVERY TWEED CEREALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

17 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

18 Operating lease commitments

Lessee

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

	2016 £	2015 £
Within one year	54,292	57,243
Between two and five years	77,953	132,245
	<u>132,245</u>	<u>189,488</u>

19 Related party transactions

There exists a cross corporate guarantee between Silvery Tweed Cereals Limited and H O Short & Son Limited.

20 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.

21 Reconciliations on adoption of FRS 102

There were no adjustments to equity on 1 May 2014, equity as at 30 April 2015 or to the profit for the year ended 30 April 2015 as a result of transitioning to FRS 102.