

Company Registration No. NI017660 (Northern Ireland)

NORTH DOWN GRAIN LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

NORTH DOWN GRAIN LTD

COMPANY INFORMATION

Directors	Mr C Davidson Mrs R Davidson Mr P Davidson Mr G Davidson
Secretary	Mrs R, Davidson
Company number	NI017660
Registered office	16 Tullykevin Road Ballywalter Co. Down BT22 2NB
Auditor	Stanley Woods & Co Alexander House 49 / 51 Church Street Newtownards Co Down BT23 4AN

NORTH DOWN GRAIN LTD

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NORTH DOWN GRAIN LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present the strategic report for the year ended 31 October 2018.

Fair review of the business

Considering the current state of the Agricultural sector, the results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Principal risks and uncertainties

The principal risk and uncertainties relate to the long-term future of the agriculture industry.

Development and performance

At the year end the company is in a good position to take advantage of the ongoing market conditions and to sustain it's market share.

On behalf of the board

Mr C Davidson

Director

10 July 2019

NORTH DOWN GRAIN LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their annual report and financial statements for the year ended 31 October 2018.

Principal activities

The principal activity of the company is the processing and manufacturing of fertiliser, animal feedstuffs and similar products.

Directors

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

Mr C Davidson
Mrs R Davidson
Mr P Davidson
Mr G Davidson

In accordance with the company's Articles of Association, Mr C Davidson retires by rotation and, being eligible, offers himself for re-election.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £114,475. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

Market value of land and buildings

The company property was revalued by a commercial valuer and these values have been reflected in the attached accounts. The directors are of the opinion that these valuations are still valid in the current market and in their current usage.

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the businesses.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Auditor

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

NORTH DOWN GRAIN LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

On behalf of the board

Mr C Davidson
Director

10 July 2019

NORTH DOWN GRAIN LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors are responsible for preparing the annual 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.

NORTH DOWN GRAIN LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH DOWN GRAIN LTD

We have audited the financial statements of North Down Grain Ltd for the year ended 31 October 2018 set out on pages 7 to 23. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 4, 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 October 2018 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, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

NORTH DOWN GRAIN LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH DOWN GRAIN LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Mr William McAdam FCCA (Senior Statutory Auditor)
for and on behalf of Stanley Woods & Co

10 July 2019

Chartered Accountants
Statutory Auditor

Alexander House
49 / 51 Church Street
Newtownards
Co Down
BT23 4AN

NORTH DOWN GRAIN LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover	3	15,854,393	15,771,540
Cost of sales		(13,350,477)	(13,300,845)
Gross profit		2,503,916	2,470,695
Distribution costs		(1,399,043)	(1,171,365)
Administrative expenses		(810,170)	(931,579)
Operating profit	4	294,703	367,751
Interest receivable and similar income	7	29	348
Interest payable and similar expenses	8	(59,393)	(92,991)
Profit before taxation		235,339	275,108
Tax on profit	9	35,921	151,026
Profit for the financial year		271,260	426,134

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

NORTH DOWN GRAIN LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2018

	2018	2017
	£	£
Profit for the year	271,260	426,134
Other comprehensive income	-	-
Total comprehensive income for the year	<u>271,260</u>	<u>426,134</u>

NORTH DOWN GRAIN LTD

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		1,751,995		2,021,439
Current assets					
Stocks	12	3,605,136		1,993,248	
Debtors	13	3,804,246		2,711,490	
Cash at bank and in hand		63,321		422,856	
		<u>7,472,703</u>		<u>5,127,594</u>	
Creditors: amounts falling due within one year	14	<u>(4,590,262)</u>		<u>(2,349,602)</u>	
Net current assets			<u>2,882,441</u>		<u>2,777,992</u>
Total assets less current liabilities			<u>4,634,436</u>		<u>4,799,431</u>
Creditors: amounts falling due after more than one year	15		(82,552)		(356,886)
Provisions for liabilities	18		(199,220)		(246,666)
Net assets			<u>4,352,664</u>		<u>4,195,879</u>
Capital and reserves					
Called up share capital	21		200		200
Profit and loss reserves			<u>4,352,464</u>		<u>4,195,679</u>
Total equity			<u>4,352,664</u>		<u>4,195,879</u>

The financial statements were approved by the board of directors and authorised for issue on 10 July 2019 and are signed on its behalf by:

Mr C Davidson
Director

Company Registration No. NI017660

NORTH DOWN GRAIN LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2018

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 November 2016		200	3,858,385	3,858,585
Year ended 31 October 2017:				
Profit and total comprehensive income for the year		-	426,134	426,134
Dividends	10	-	(88,840)	(88,840)
Balance at 31 October 2017		200	4,195,679	4,195,879
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	271,260	271,260
Dividends	10	-	(114,475)	(114,475)
Balance at 31 October 2018		200	4,352,464	4,352,664

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

North Down Grain Ltd is a private company limited by shares incorporated in Northern Ireland. The registered office is 16 Tullykevin Road, Ballywalter, Co. Down, BT22 2NB.

1.1 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the hours worked as a proportion of total hours to be worked at the reporting date.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Buildings only - 5% on a straight-line basis
Plant and machinery	20% per annum
Motor vehicles	25% per annum

No depreciation is provided in respect of freehold land.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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 publicly 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.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 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.

1.13 Retirement benefits

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

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.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

3 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Fertilisers etc	11,799,396	11,631,303
Labour and haulage contracts etc	2,769,660	2,711,284
Grain and animal feedstuffs	1,163,590	1,345,549
Other Income	121,746	83,404
	<u>15,854,393</u>	<u>15,771,540</u>
Analysis per statutory database	15,854,392	15,771,540
Statutory database analysis does not agree to the trial balance by:	1	-

	2018 £	2017 £
Other significant revenue		
Interest income	29	348
	<u>29</u>	<u>348</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	5,000
Depreciation of owned tangible fixed assets	286,549	281,225
Depreciation of tangible fixed assets held under finance leases	60,770	75,021
Profit on disposal of tangible fixed assets	(13,500)	(8,440)
Cost of stocks recognised as an expense	11,117,194	11,537,031
Operating lease charges	605,000	605,000
	<u>11,960,913</u>	<u>12,575,836</u>

5 Employees

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

	2018 Number	2017 Number
Administration, including directors	9	8
Production	25	20
Sales & distribution	10	9
	<u>44</u>	<u>37</u>

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

5 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	949,107	816,986
Social security costs	80,496	69,802
Pension costs	24,372	47,709
	<u>1,053,975</u>	<u>934,497</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	32,400	32,400
Company pension contributions to defined contribution schemes	10,000	24,000
	<u>42,400</u>	<u>56,400</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2017 - 4).

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	29	348
	<u>29</u>	<u>348</u>

8 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	58,879	91,677
Interest on finance leases and hire purchase contracts	514	1,314
	<u>59,393</u>	<u>92,991</u>

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	58,106	46,581
Adjustments in respect of prior periods	(46,581)	(172,607)
	<u>11,525</u>	<u>(126,026)</u>

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

9 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	(47,446)	(25,000)
	<u> </u>	<u> </u>
Total tax credit	(35,921)	(151,026)
	<u> </u>	<u> </u>

The standard rate of Corporation Tax reduced to 19% from 1 April 2017.

The actual credit for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	235,339	275,108
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	44,714	53,398
Adjustments in respect of prior years	1,337	-
Effect of change in corporation tax rate	(2,017)	(7,847)
Permanent capital allowances in excess of depreciation	29,578	-
Depreciation on assets not qualifying for tax allowances	11,400	11,646
Research and development tax credit	(26,906)	(14,301)
Under/(over) provided in prior years	(46,581)	(172,607)
Deferred tax adjustments in respect of prior years	(47,446)	(21,315)
	<u> </u>	<u> </u>
Taxation credit for the year	(35,921)	(151,026)
	<u> </u>	<u> </u>

10 Dividends

	2018 £	2017 £
Interim paid	114,475	88,840
	<u> </u>	<u> </u>

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

11 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 November 2017	2,115,000	2,040,111	27,750	4,182,861
Additions	-	77,875	-	77,875
Disposals	-	(71,255)	-	(71,255)
At 31 October 2018	2,115,000	2,046,731	27,750	4,189,481
Depreciation and impairment				
At 1 November 2017	960,000	1,173,672	27,750	2,161,422
Depreciation charged in the year	60,000	287,319	-	347,319
Eliminated in respect of disposals	-	(71,255)	-	(71,255)
At 31 October 2018	1,020,000	1,389,736	27,750	2,437,486
Carrying amount				
At 31 October 2018	1,095,000	656,995	-	1,751,995
At 31 October 2017	1,155,000	866,439	-	2,021,439

The carrying value of land and buildings comprises:

	2018 £	2017 £
Freehold	1,095,000	1,155,000

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Plant and machinery	-	60,770

The freehold and leasehold land and buildings were valued on an open market basis by the Robert Wilson Estate Agency, a firm of independent Chartered Surveyors.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

11 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	1,409,187	1,409,187
Accumulated depreciation	(789,169)	(788,369)
Carrying value	<u>620,018</u>	<u>620,818</u>

12 Stocks

	2018 £	2017 £
Raw materials and consumables	<u>3,605,136</u>	<u>1,993,248</u>

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,484,292	899,046
Corporation tax recoverable	26,227	92,595
Other debtors	2,267,700	1,678,908
Prepayments and accrued income	26,027	40,941
	<u>3,804,246</u>	<u>2,711,490</u>

14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	16	1,010,588	1,084,991
Trade creditors		3,459,906	1,172,739
Corporation tax		58,106	46,581
Other taxation and social security		19,719	15,640
Other creditors		41,943	29,651
		<u>4,590,262</u>	<u>2,349,602</u>

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	16	77,390	339,716
Obligations under finance leases	17	5,162	17,170
		<u>82,552</u>	<u>356,886</u>

16 Loans and overdrafts

	2018 £	2017 £
Bank loans	336,834	642,597
Bank overdrafts	751,144	782,110
	<u>1,087,978</u>	<u>1,424,707</u>
Payable within one year	1,010,588	1,084,991
Payable after one year	77,390	339,716
	<u>1,087,978</u>	<u>1,424,707</u>

The bank loans and overdrafts are secured by fixed charges over the company property and floating charges over the company assets.

The company loans are repayable within five years.

17 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	5,218	12,522
In two to five years	-	5,217
	<u>5,218</u>	<u>17,739</u>
Less: future finance charges	(56)	(569)
	<u>5,162</u>	<u>17,170</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

18 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	19	199,220	246,666

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	89,974	123,572
Revaluations	109,246	123,094
	<u>199,220</u>	<u>246,666</u>
Movements in the year:		2018 £
Liability at 1 November 2017		246,666
Credit to profit or loss		(47,446)
Liability at 31 October 2018		<u>199,220</u>

The deferred tax liability set out above is expected to reverse within 3 years and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	24,372	47,709

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.

21 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	100	100

NORTH DOWN GRAIN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

21	Share capital		(Continued)
	Preference share capital		
	Issued and fully paid		
	100 Redeemable Preference Shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Preference shares classified as equity	100	100
		<u>100</u>	<u>100</u>
	Total equity share capital	200	200
		<u>200</u>	<u>200</u>

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company in respect of a commercial storage yard and the fertiliser manufacturing franchise and facility.

23 Directors' transactions

Dividends totalling £114,475 (2017 - £88,840) were paid in the year in respect of shares held by the company's directors.

24 Ultimate controlling party

The ultimate controlling parties are the directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.