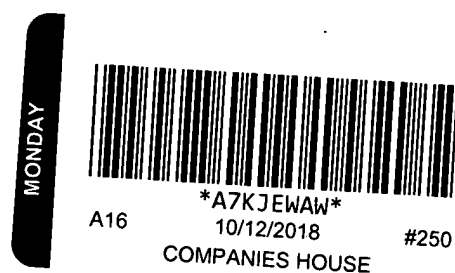


Financial Statements

Charnwood Milling Company Limited

For the Year Ended 31 March 2018

Registered number: 00689456



Charnwood Milling Company Limited

Company Information

Directors	Mr R G Newton Mr A H Simpson Mr K B Gibbs
Company secretary	Mrs P B Newton
Registered number	00689456
Registered office	Charnwood House Saxtead Road Framlingham Suffolk IP13 9PT
Accountants	Grant Thornton UK LLP Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB

Charnwood Milling Company Limited

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Charnwood Milling Company Limited

Directors' Report

For the Year Ended 31 March 2018

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

Directors

The directors who served during the year were:

Mr R G Newton
Mr A H Simpson
Mr K B Gibbs

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

29 ~~7~~ 2018

and signed on its behalf.



Mr R G Newton
Director

Report to the directors on the preparation of the unaudited statutory financial statements of Charnwood Milling Company Limited for the year ended 31 March 2018

We have compiled the accompanying financial statements of Charnwood Milling Company Limited based on the information you have provided. These financial statements comprise the Balance Sheet of Charnwood Milling Company Limited as at 31 March 2018, the Statement of Changes in Equity, the Statement of Comprehensive Income for the year then ended and a summary of significant accounting policies and other explanatory information.

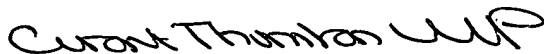
This report is made solely to the Board of Directors of Charnwood Milling Company Limited, as a body, in accordance with the terms of our engagement letter dated 12 September 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Charnwood Milling Company Limited and state those matters that we have agreed to state to the Board of Directors of Charnwood Milling Company Limited, as a body, in this report in accordance with our engagement letter dated 12 September 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Charnwood Milling Company Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.



Grant Thornton UK LLP

Chartered Accountants

Norwich

Date: 5 December 2018

Statement of Comprehensive Income

For the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover		5,422,227	5,339,979
Cost of sales		(4,428,194)	(4,272,318)
Gross profit		994,033	1,067,661
Distribution costs		(221,639)	(214,755)
Administrative expenses		(585,778)	(553,029)
Other operating income		8,000	8,000
Operating profit		194,616	307,877
Interest receivable and similar income		915	1,832
Profit before tax		195,531	309,709
Tax on profit		44,240	(63,852)
Profit for the financial year		239,771	245,857

The notes on pages 6 to 12 form part of these financial statements.

Balance Sheet

As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	1,120,727	669,689
		<u>1,120,727</u>	<u>669,689</u>
Current assets			
Stocks	5	611,592	601,617
Debtors: amounts falling due within one year	6	797,063	701,557
Cash at bank and in hand	7	192,551	631,407
		<u>1,601,206</u>	<u>1,934,581</u>
Creditors: amounts falling due within one year	8	(720,669)	(829,333)
Net current assets		<u>880,537</u>	<u>1,105,248</u>
Total assets less current liabilities		<u>2,001,264</u>	<u>1,774,937</u>
Provisions for liabilities			
Deferred tax	9	(73,732)	(37,176)
		<u>(73,732)</u>	<u>(37,176)</u>
Net assets		<u><u>1,927,532</u></u>	<u><u>1,737,761</u></u>
Capital and reserves			
Called up share capital		10,000	10,000
Revaluation reserve		183,659	191,033
Profit and loss account		1,733,873	1,536,728
		<u><u>1,927,532</u></u>	<u><u>1,737,761</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Mr R G Newton
 Director



29.11.18

The notes on pages 6 to 12 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	10,000	191,033	1,536,728	1,737,761
Comprehensive income for the year				
Profit for the year	-	-	239,771	239,771
Transfer to profit and loss account	-	(7,374)	7,374	-
Other comprehensive income for the year	-	(7,374)	7,374	-
Total comprehensive income for the year	-	(7,374)	247,145	239,771
Dividends: Equity capital	-	-	(50,000)	(50,000)
Total transactions with owners	-	-	(50,000)	(50,000)
At 31 March 2018	10,000	183,659	1,733,873	1,927,532

Statement of Changes in Equity

For the Year Ended 31 March 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	10,000	196,647	1,435,257	1,641,904
Comprehensive income for the year				
Profit for the year	-	-	245,857	245,857
Transfer to profit and loss account	-	(5,614)	5,614	-
Other comprehensive income for the year	-	(5,614)	5,614	-
Total comprehensive income for the year	-	(5,614)	251,471	245,857
Dividends: Equity capital	-	-	(150,000)	(150,000)
Total transactions with owners	-	-	(150,000)	(150,000)
At 31 March 2017	10,000	191,033	1,536,728	1,737,761

The notes on pages 6 to 12 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2018

1. General information

Charnwood Milling Company Limited is a private company limited by shares and is incorporated in England & Wales. The registered office is Charnwood House, Saxtead Road, Framlingham, Suffolk, IP13 9PT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The financial statements are prepared in Sterling (£).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	- Straight line over 50 years
Plant & machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Computer equipment	- Straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard 102 (FRS102) the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 March 1988 adopted as deemed cost under previous UK reporting requirements and will not update that valuation.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve (which continues to be shown separately) to the profit and loss reserve.

2.5 Stocks

Raw material stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Finished goods stocks are valued at the estimated cost of production using wholesale list prices reduced by packaging costs and deemed profit margin.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Notes to the Financial Statements

For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial instrument then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements

For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

3. Employees

Staff costs were as follows:

The average monthly number of employees, including directors, during the year was 30 (2017 - 28).

Notes to the Financial Statements

For the Year Ended 31 March 2018

4. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2017	666,267	1,482,367	15,750	2,164,384
Additions	103,610	405,801	-	509,411
At 31 March 2018	769,877	1,888,168	15,750	2,673,795
Depreciation				
At 1 April 2017	200,904	1,283,955	9,836	1,494,695
Charge for the year on owned assets	12,173	44,721	1,479	58,373
At 31 March 2018	213,077	1,328,676	11,315	1,553,068
Net book value				
At 31 March 2018	556,800	559,492	4,435	1,120,727
At 31 March 2017	465,363	198,412	5,914	669,689

Included in land and buildings is freehold land at deemed cost (based on prior valuation) of £93,559 (2017 - £93,559), (cost £50,000 (2017 - £50,000)) which is not depreciated.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Cost	434,298	330,688
Accumulated depreciation	(106,128)	(98,442)
Net book value	328,170	232,246

5. Stocks

	2018 £	2017 £
Raw materials, consumables and finished goods	611,592	601,617

Notes to the Financial Statements

For the Year Ended 31 March 2018

6. Debtors

	2018 £	2017 £
Trade debtors	664,564	644,484
Other debtors	13,068	19,689
Prepayments and accrued income	119,431	37,384
	<u>797,063</u>	<u>701,557</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>192,551</u>	<u>631,407</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	616,265	703,625
Corporation tax	2,842	48,262
Other taxation and social security	27,763	24,379
Accruals and deferred income	73,799	53,067
	<u>720,669</u>	<u>829,333</u>

9. Deferred taxation

	2018 £
At beginning of year	(37,176)
Charged to profit or loss	<u>(36,556)</u>
At end of year	<u>(73,732)</u>

Notes to the Financial Statements

For the Year Ended 31 March 2018

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>(73,732)</u>	<u>(37,176)</u>

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £79,588 (2017 - £72,636). Contributions totalling £Nil (2017 - £Nil) were payable to the fund at the balance sheet date

11. Related party transactions

	2018 £	2017 £
Directors' remuneration including pension contributions and benefits	<u>201,030</u>	<u>196,504</u>

12. Controlling party

Charnwood Milling Company Limited is a wholly owned subsidiary of Charnwood Industries Limited, a company incorporated in England & Wales whose registered office is Charnwood House, Saxtead Road, Framlingham, Suffolk, IP13 9PT.