GB Ingredients Limited

Annual report and financial statements

Registered number 0269810

For the year ended 31 January 2018

Contents

Strategic report

Principal activities

The Company's principal activity during the year continued to be the production and distribution of yeast.

Business review

The directors are reporting a 3% increase in turnover on the previous period to £25.8 million. The operating profit has decreased in the year.

2018/19 outlook

UK bread consumption is expected to remain static thus restricting any growth in the domestic markets. Sales activities remain focused on developing new business overseas and we expect to see continued growth in exports for 2019.

The Directors anticipate another challenging year ahead due to the current market conditions and input costs.

Principal risks and uncertainties

In the UK the company is reliant on a small number of customers for contracts which are subject to periodic competitive tender.

Research and development

The Company has a continuing commitment to research and development. These activities are targeted to improve existing processes and to identify and exploit new product opportunities. The Company remains committed to identifying and developing, through an ongoing research and development programme, alternative products that will form a platform for the future long term sustainable growth of the Company.

By order of the board

VM Martins de Melo
Director

20 June 2018

Directors' report

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

Results and dividends

The results for the period are shown in the profit and loss account on page 7. The directors do not propose a final ordinary dividend in respect of the current financial year *(2017: £Nil)*.

Directors

The directors who held office during the year were as follows:

R M Chell	
J Chagnon	
A Chagnon	
G Steenkamp	
F LeBlanc	
M Perling	(resigned 16 June 2017)
VM Martins de Melo	(appointed 16 June 2017)

Financial instruments

The company uses financial instruments including cash and borrowings, the main purpose of which are to raise finance for the Company's activities. It is the Company's policy not to enter into trading of a speculative nature in respect of financial instruments.

Price risk

The Company is exposed to price risk on its raw material purchases.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit, using information supplied by independent rating agencies where available. At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Cash flow and liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient levels of committed facilities, cash and cash equivalents to ensure that the Company is, at all times, able to meet its financial commitments. Liquidity risk is managed by continuous monitoring of forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The Company has no significant interest bearing assets and consequently, its income and cash flows are largely independent of changes in market interest rates. All interest bearing borrowings comprising of bank overdrafts and bank loans have variable interest rates based upon the bank base rate and are therefore subject to fluctuations in such rates. The Company does not use interest rate swaps or other instruments to manage its interest rate exposure.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Directors' report *(continued)*

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

By order of the board

VM Martins de Melo
Director

Dock Road
Felixstowe
Suffolk
IP11 3QW

20 June 2018

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of GB Ingredients Limited

Opinion

We have audited the financial statements of GB Ingredients Limited ("the company") for the year ended 31 January 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Cash Flow Statement and the Statement of Changes In Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of GB Ingredients Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

NDavies

Nicola Davies (Senior Statutory Auditor) 21 June 2018
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 January 2018

	Note	**2018** **£000**	2017 £000
Turnover	*2*	**25,826**	25,191
Operating costs	*3*	**(25,675)**	(24,289)
Operating profit		**151**	902
Interest payable and similar charges	*6*	**(117)**	(117)
Profit before taxation	*7*	**34**	785
Taxation on profit	*8*	**-**	30
Profit and total comprehensive income for the financial year		**34**	815

The above results arose from continuing activities.

The notes on pages 11 to 19 form an integral part of these financial statements.

Balance Sheet
at 31 January 2018

	Note	**2018 £000**	**£000**	2017 £000	£000
Fixed assets					
Tangible fixed assets	*9*		**8,362**		7,122
Current assets					
Stocks	*10*	**2,403**		2,387	
Debtors	*11*	**4,554**		4,783	
Cash at bank and in hand		**-**		-	
		6,957		7,170	
Creditors: Amounts falling due within one year	*12*	**(6,494)**		(5,501)	
Net current assets			**463**		1,669
Total assets less current liabilities			**8,825**		8,791
Creditors: Amounts falling due after more than one year	*13*		**(5,000)**		(5,000)
Net assets			**3,825**		3,791
Capital and reserves					
Called up share capital	*15*		**199**		199
Share premium account			**1,600**		1,600
Profit and loss account			**2,026**		1,992
Total shareholders' funds			**3,825**		3,791

The notes on pages 11 to 19 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 20 June 2018 and were signed on its behalf by:

VM Martins de Melo
Director

Registered number: 0269810

Statement of Changes in Equity
for the year ended 31 January 2018

	Called up share capital £000	Share Premium £000	Profit and loss account £000	Total equity £000
Balance at 1 February 2016	199	1,600	1,177	2,976
Total comprehensive income for the period				
Profit or loss	-	-	815	815
Total comprehensive income for the period	-	-	815	815
Balance at 31 January 2017	**199**	**1,600**	**1,992**	**3,791**
Balance at 1 February 2017	199	1,600	1,992	3,791
Total comprehensive income for the period				
Profit or loss	-	-	34	34
Total comprehensive income for the period	-	-	34	34
Balance at 31 January 2018	**199**	**1,600**	**2,026**	**3,825**

The notes on pages 11 to 19 form an integral part of these financial statements.

Cash Flow Statement
for the year ended 31 January 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Profit for the year		**34**	815
Adjustments for:			
Depreciation, amortisation and impairment	*9*	**897**	857
Interest payable and similar charges	*6*	**117**	117
Taxation	*8*	**-**	(30)
		1,048	1,759
Decrease/(increase) in trade and other debtors		**229**	(677)
(Increase)/decrease in stocks		**(16)**	307
Increase/(decrease) in trade and other creditors		**318**	(156)
		1,579	1,233
Tax received		**-**	30
Net cash from operating activities		**1,579**	1,263
Cash flows from investing activities			
Acquisition of tangible fixed assets	*9*	**(2,137)**	(1,332)
Net cash from investing activities		**(2,137)**	(1,332)
Cash flows from financing activities			
Interest paid	*6*	**(117)**	(117)
Net cash from financing activities		**(117)**	(117)
Net decrease in cash and cash equivalents		**(675)**	(186)
Cash and cash equivalents at the beginning of the year		**(3,050)**	(2,864)
Cash and cash equivalents at the end of the year		**(3,725)**	(3,050)

The notes on pages 11 to 19 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

GB Ingredients Limited (the "Company") is a private company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Lallemand Inc includes the Company in its consolidated financial statements. The consolidated financial statements of Lallemand Inc are prepared in accordance with Canadian GAAP Reporting Standards.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company's business activities, with the factors likely to affect its future development, performance and position are set out in the business review on page 1.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate as Lallemand UK Limited, the immediate parent company has confirmed it will continue to provide financial support to the company if needed. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Basic financial instruments (continued)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- land and buildings 40 years or over the lease term if this is less
- plant and machinery 3 to 15 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle for all products except one which is based on the first in first out principle, and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.8 Employee benefits

The company makes contributions to a defined contribution pension plan for certain employees.

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.10 Turnover

Turnover represents amounts invoiced to customers, net of value added tax and trade discounts, for products and services supplied.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually at the point that the customer or delivery company has signed for the delivery of the goods.

1.11 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges includes interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

During the period, 63.6% of sales were made to customers based in the UK, with the remaining 36.4% made overseas, compared to 62.7% and 37.3% respectively in the prior period.

3 Operating costs

	2018	2017
	£000	£000
Change in stocks of finished goods and goods for resale	**5**	82
Raw materials and consumables	**12,140**	11,721
Staff costs (note 4)	**3,018**	3,003
Depreciation	**897**	857
Other operating charges	**9,615**	8,626
Operating costs	**25,675**	24,289

4 Staff numbers and costs

The average number of persons employed by the company during the year was as follows:

	Number of employees	
	2018	2017
Production, selling and administration	**58**	58

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	**2,530**	2,514
Social security costs	**279**	287
Other pension costs	**209**	202
	3,018	3,003

Notes *(continued)*

5 Remuneration of directors

	2018 £000	2017 £000
Aggregate emoluments	**137**	236
Company pension contributions to money purchase pension scheme	**11**	12
	148	248

The details of the highest paid director are as follows:

Aggregate emoluments	77	134
Company pension contributions to money purchase pension scheme	11	12
	88	146

Retirement benefits are accruing to one director *(2017: one)* under a money purchase scheme. All directors other than two were remunerated by Lallemand group companies during the current and prior years, and the share of emoluments attributed to their duties and responsibilities as directors of the company are minimal.

6 Net interest payable and similar charges

	2018 £000	2017 £000
Group interest payable	**117**	117

7 Notes to the profit and loss account

	2018 £000	2017 £000
Profit before taxation is stated after charging		
Depreciation of tangible fixed assets	**897**	857
Operating lease payments:		
Land and buildings	**23**	6
Plant and machinery	**340**	357
Hire of plant and equipment	**22**	47
Net profit on foreign currency transactions	**43**	(152)
Auditor's remuneration:		
Audit of these financial statements	**23**	27
Amounts receivable by the auditor and their associates in respect of:		
Other services relating to taxation	**17**	5

Notes *(continued)*

8 Taxation

Analysis of charge in year

	2018 £000	2017 £000
UK corporation tax		
Adjustments in respect of previous periods	-	(30)
Total current tax	-	(30)
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax (note 14)	-	-
Total tax	-	(30)

Factors affecting the tax charge for the current period

The tax charge for the year is lower *(2017: lower)* than the rate of corporation tax in the UK of 19.16% *(2017: 20%)*. The differences are explained below:

	2018 £000	2017 £000
Current tax reconciliation		
Profit/(loss) before tax	34	785
Current tax at 19.16% *(2017: 20.00%)*	7	157
Effects of:		
Fixed asset differences	3	4
Expenses not deductible for tax purposes	1	1
Capital allowances for the period in excess of depreciation	(9)	(162)
Other timing differences	(2)	-
Adjustments in respect of previous periods	-	(30)
Total tax credit	-	(30)

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 January 2018 has been calculated based on these rates.

Notes *(continued)*

9 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Total £000
Cost			
At beginning of year	2,896	28,363	31,259
Additions	-	2,137	2,137
At end of year	2,896	30,500	33,396
Depreciation			
At beginning of year	2,806	21,331	24,137
Charge for the year	9	888	897
At end of year	2,815	22,219	25,034
Net book value			
At 31 January 2018	**81**	**8,281**	**8,362**
At 31 January 2017	90	7,032	7,122

10 Stock

	2018 £000	2017 £000
Raw materials and consumables	**1,636**	1,615
Finished goods and goods for resale	**767**	772
	2,403	2,387

The difference between the purchase price or production cost of stocks and their replacement costs is not material.

11 Debtors

	2018 £000	2017 £000
Trade debtors	**3,785**	3,919
Amounts owed by group undertakings	**292**	51
Prepayments and accrued income	**139**	150
Other debtors	**338**	663
	4,554	4,783

Notes *(continued)*

12 Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Bank overdraft	**3,725**	3,050
Trade creditors	**946**	692
Amounts owed to group undertakings	**119**	127
Other taxation and social security	**8**	8
Other creditors	**84**	84
Accruals and deferred income	**1,612**	1,540
	6,494	5,501

13 Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Loans from group undertakings	**5,000**	5,000

There are five loans in place, totalling £5,000,000 from Lallemand UK Limited. The loans are not secured and will not be recalled before 31 January 2019. Interest is accrued at a rate of 2.34%

14 Provisions for liabilities and charges

Deferred tax

Deferred tax assets not recognised in the financial statements are as follows:

	2018 £000	2017 £000
Accelerated capital allowances	**72**	(254)
Other timing differences	**22**	20
Corporation tax losses	**-**	338
	94	104

The directors continue not to recognise a deferred tax asset on the basis of the ongoing uncertainty surrounding the current trading environment and the impact that this may have on the future profits of the company.

15 Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
199,001 ordinary shares of £1 each	**199**	199

Notes *(continued)*

16 Financial commitments

Operating leases

As at 31 January 2018, the company had future minimum operating lease payments as follows:

	Land and buildings		Other	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Within one year	**3**	3	**166**	163
Within two to five years	**11**	11	**246**	395
After five years	**115**	118	**-**	-
	129	132	**412**	558

Capital commitments

There company had no capital commitments at the end of the current year. *(2017: £Nil).*

17 Related parties

In accordance with FRS 102, the company is exempt from disclosing transactions where it and the other parties are wholly-owned subsidiaries of Lallemand Incorporated.

The company identifies the UK based directors as the Key Management, and the compensation to these individuals was £148,000 *(2017: £248,000).*

18 Pension costs

The company makes contributions to personal defined contribution pension schemes in respect of certain employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the fund and amounted to £209,000 during the period *(2017: £202,000)*. There was a balance payable to the schemes as at 31 January 2018 of £Nil *(2017: £Nil).*

19 Significant Judgements and Estimates

There are no significant judgements and estimates within these statements that the directors consider require disclosue.

20 Ultimate parent company

The company is a wholly-owned subsidiary undertaking of Lallemand Incorporated, a company incorporated in Canada, which the directors regard as the ultimate holding company and controlling party. Lallemand Incorporated is the smallest and largest group to consolidate these financial statements.