

Carr's Flour Mills Limited
Annual report and financial statements
for the year ended 29 August 2015

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Carr's Flour Mills Limited
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for the year ended 29 August 2015
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Carr's Flour Mills Limited

Strategic report for the year ended 29 August 2015

Principal activity

The principal activity of the company is that of flour milling.

Review of business

The results of the company show a profit on ordinary activities before taxation of £2,433,518 (2014: £2,289,176) for the year and turnover of £80,280,888 (2014: £87,106,935).

We have enjoyed strong growth this year with sales volumes 4.6% higher than last year. Through the year our reputation for customer service, quality and technical expertise has resulted in important new business wins. The growth in sales volumes follows last year's step change in operating performance, which was driven by the commissioning of our state of the art mill at Kirkcaldy. We have continued our investment programme with the installation of cutting edge equipment at our other mills, which ensures we remain ahead of our customers' ever-increasing demands, particularly in the need for food safety. The ongoing investment supports the commercial benefits derived from increased customer confidence in our ability to produce quality flour, milled to the highest standards of product integrity.

The wheat harvest in summer 2014 was relatively normal at just over 16 million tonnes, however there were inconsistencies in quality. Our versatility with regard to wheat sourcing and mill processing meant that we were well positioned to respond to the changing market dynamics. The 2015 harvest has been large and consistent in quality and the position of our three mills enables us to benefit from this exceptional harvest.

Changes in the retail landscape and consumers' shopping habits are impacting the whole food supply chain, including the baking sector.

In the current financial year, ending August 2016, it is anticipated that these headwinds will persist. This challenging backdrop will in part be off-set by our investment in technology, high standards of customer service, and our on-going commitment to operational efficiencies throughout our three mills which, over the medium term, leaves us well placed to handle these changing markets.

Key Performance indicators ("KPIs")

The company's directors believe that the most significant KPI is profit on ordinary activities before taxation as shown on the profit and loss account on page 7. KPIs are also discussed further on page 20 of the ultimate parent company's annual report.

By order of the Board



K L Sinclair
Company Secretary

20 January 2016

Carr's Flour Mills Limited

Directors' report for the year ended 29 August 2015

The directors present their report and the audited financial statements of the company for the year ended 29 August 2015. The comparative year was the year ended 30 August 2014.

Principal risks and uncertainties

The principal business risks affecting the company are managed at a group level. For this reason, the directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the company's business. The principal business risks are described on pages 15 to 17 of the ultimate parent company's annual report.

The company's activities expose it to a variety of financial risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Credit risk

The company has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers. The credit quality of trade and other receivables is detailed in Note 12.

The majority of company revenues are made up on credit terms. It is company policy that overdue accounts are reviewed monthly at divisional management meetings to mitigate exposure to credit risk and are provided for where appropriate. The current financial climate requires the company's credit control function to be particularly vigilant.

Price risk

The company is not exposed to equity securities price risk. Due to the nature of its business the company is exposed to commodity price risk such as the fluctuation in wheat prices. This risk is however managed primarily through the use of contracts to secure supply at agreed prices.

Market risk

Market risk is the risk that changes in foreign exchange rates (currency risk) and interest rates (interest rate risk) will affect income or the value of financial assets and liabilities. The company finances its operations through a mixture of retained earnings and borrowings. The company borrows at fixed and floating rates of interest.

Currency risk

The company publishes its financial statements in Sterling but conducts business in some foreign currencies.

The company is exposed to foreign currency risk on its purchases of raw materials. The policy of the company is to hedge purchases as soon as commitment has been given to the underlying transaction. However the company does not apply hedge accounting.

Carr's Flour Mills Limited

Directors' report for the year ended 29 August 2015 (continued)

Results and dividends

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

The directors have paid an ordinary dividend during the year ended 29 August 2015 of £1,400,000 (2014: £210,000).

The proposed final dividend in respect of the year ended 29 August 2015 is £nil (2014: £1,400,000).

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

T J Davies (Chairman)

N Austin

D Monroe

Third party indemnity

The company has maintained a directors' and officers' liability insurance policy throughout the year and up to the date of signing the financial statements, which is classed as a qualifying third party indemnity provision for the purposes of the Companies Act 2006. Neither the company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly. No claims have been made either under the indemnity or the insurance policy.

Policy and practice on payment of creditors

It is the company's policy to agree terms of payment with its suppliers when agreeing the terms of a business transaction or transactions. All suppliers are aware of this procedure and the company abides by the agreed payment terms.

Trade creditors shown in the balance sheet at the end of the financial year represented 28 days (2014: 28 days) of average purchases for goods and services made during the year.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Carr's Flour Mills Limited

Directors' report for the year ended 29 August 2015 (continued)

Statement of directors' responsibilities (continued)

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 year. 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



K L Sinclair

Company Secretary

20 January 2016

Carr's Flour Mills Limited

Independent auditors' report to the members of Carr's Flour Mills Limited

Report on the financial statements

Our opinion

In our opinion, Carr's Flour Mills Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 August 2015 and of its profit for the year (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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 29 August 2015;
- the Profit and loss account for the year then ended;
- the Statement of changes in shareholders' funds for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Carr's Flour Mills Limited

Independent auditors' report to the members of Carr's Flour Mills Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Bill MacLeod

Bill MacLeod (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
20 January 2016

Carr's Flour Mills Limited

Profit and loss account for the year ended 29 August 2015

		2015	2014
		£	£
	Note		
Continuing operations			
Turnover	1	80,280,888	87,106,935
Cost of sales		(68,156,143)	(75,599,688)
Gross profit		12,124,745	11,507,247
Distribution costs		(5,732,780)	(5,345,701)
Administrative expenses		(3,263,777)	(3,090,032)
Operating profit	2	3,128,188	3,071,514
Interest receivable and similar income	4	660	2,005
Interest payable and similar charges	4	(695,330)	(784,343)
Profit on ordinary activities before taxation		2,433,518	2,289,176
Tax on profit on ordinary activities	5	(481,801)	(548,815)
Profit for the financial year		1,951,717	1,740,361

There is no other comprehensive income for the current or prior year.

Carr's Flour Mills Limited

Balance sheet as at 29 August 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	7	91,430	106,711
Tangible assets	8	25,826,913	26,354,264
Investment property	9	114,282	117,822
Investments	10	1,002	1,002
		26,033,627	26,579,799
Current assets			
Stocks	11	4,120,019	5,021,663
Debtors	12	11,411,696	12,725,225
Cash at bank and in hand		1,327,488	158,641
		16,859,203	17,905,529
Creditors: amounts falling due within one year	13	(28,396,783)	(29,456,465)
Net current liabilities		(11,537,580)	(11,550,936)
Total assets less current liabilities		14,496,047	15,028,863
Creditors: amounts falling due after more than one year	14	(7,485,619)	(8,803,567)
Provisions for liabilities	20	(1,744,665)	(1,575,285)
Net assets		5,265,763	4,650,011
Capital and reserves			
Called up share capital	21	207,307	207,307
Capital redemption reserve		207,286	207,286
Equity compensation reserve		146,881	100,666
Revaluation reserve		652,488	662,626
Profit and loss account		4,051,801	3,472,126
Total shareholders' funds		5,265,763	4,650,011

The financial statements on pages 7 to 35 were approved by the Board of Directors on 20 January 2016 and were signed on its behalf by:



N Austin
Director

Carr's Flour Mills Limited

Registered Number 00480341

Carr's Flour Mills Limited

Statement of changes in shareholders' funds for the year ended 29 August 2015

	Note	Called up share capital £	Capital redemption reserve £	Equity compensation reserve £	Revaluation reserve £	Profit and loss account £	Total shareholders' funds £
At 1 September 2013		207,307	207,286	64,873	672,764	1,923,357	3,075,587
Profit for the financial year		-	-	-	-	1,740,361	1,740,361
Equity-settled share- based payment transactions		-	-	44,063	-	-	44,063
Dividends paid	6	-	-	-	-	(210,000)	(210,000)
Transfer between reserves		-	-	(8,270)	(10,138)	18,408	-
At 30 August 2014		207,307	207,286	100,666	662,626	3,472,126	4,650,011
At 31 August 2014		207,307	207,286	100,666	662,626	3,472,126	4,650,011
Profit for the financial year		-	-	-	-	1,951,717	1,951,717
Equity-settled share- based payment transactions		-	-	64,035	-	-	64,035
Dividends paid	6	-	-	-	-	(1,400,000)	(1,400,000)
Transfer between reserves		-	-	(17,820)	(10,138)	27,958	-
At 29 August 2015		207,307	207,286	146,881	652,488	4,051,801	5,265,763

Carr's Flour Mills Limited

Statement of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to both the current and prior year, unless otherwise stated.

Basis of preparation

The company is a private limited liability company incorporated and domiciled in England and Wales. The company is limited by shares. The address of its registered office is Old Croft, Stanwix, Carlisle, CA3 9BA.

These financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit and loss.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 25 gives details of the company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The company has adopted the intermediate parent exemption under section 400 of the Companies Act 2006 whereby it is not required to prepare consolidated financial statements as the ultimate parent company prepares publicly available consolidated financial statements in accordance with IFRS.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- Cash Flow Statement and associated notes;
- Statement of compliance with IFRS;
- Disclosures in respect of new standards and interpretations that have been issued but which are not yet effective;
- Disclosure of key management personnel compensation, and related party transactions entered into between two or more members of a group (for wholly owned subsidiaries);
- Comparative reconciliations for intangible assets, tangible fixed assets and investment property;
- Disclosures in respect of cash generating units;
- IFRS7 disclosures of financial instruments; and
- Share based payments disclosures in relation to group share based payment arrangements.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Carr's Flour Mills Limited

Statement of accounting policies (continued)

Foreign currencies

The functional currency and presentational currency of the company is Sterling. Transactions in currencies other than Sterling are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Translation differences resulting from the settlement of such transactions and from the translation at exchange rates ruling at the balance sheet date of monetary assets and liabilities denominated in currencies other than the functional currency are recognised in the profit and loss account.

Turnover recognition

Turnover from the sale of goods is measured at the fair value of the consideration, net of rebates and excluding discounts and value added tax. Turnover from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer, when the amount of turnover can be measured reliably and when it is probable that the economic benefits associated with the transaction will flow to the company.

Dividends

Dividends payable are recognised in the financial statements in the year in which the dividends are paid or approved by the company's directors, whichever is earlier.

Retirement benefit obligations

Employees are members of Carr's Group Pension Scheme, Carr's Flour Mills Group Personal Pension Plan and NEST.

Contributions to the defined benefit pension schemes are across the participating companies. Costs are not defined for each individual company as the company is unable to identify its share of the underlying assets and liabilities in the scheme. Contributions payable by Carr's Flour Mills Limited are charged to the profit and loss account in the year they fall due.

Non-recurring items

Non-recurring items that are material by size and/or by nature are presented within their relevant profit and loss account category. Items that management consider fall into this category are disclosed on the face of the profit and loss account and within a note to the financial statements. The separate disclosure of non-recurring items helps provide a better indication of the company's underlying business performance. Events which give rise to non-recurring items include, but are not limited to, gains or losses on the disposal of businesses, derivative gains or losses in respect of capital expenditure, gains or losses on the disposal of properties, the restructuring of businesses, the integration of new businesses and asset impairments.

Interest

Interest is recognised in the profit and loss account on an accruals basis using the effective interest method.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation. Amortisation commences when assets are available for use. Customer relationships have been amortised in line with the profit streams generated over the life of the relationship. The life of the relationships ranged between 1 and 5 years.

Brands are being amortised in line with the income streams expected to be generated over a twenty year year, being the directors' estimate of the useful economic life.

Carr's Flour Mills Limited

Statement of accounting policies (continued)

Intangible assets (continued)

The cost of intangible assets acquired in a business combination is the fair value at the acquisition date.

Tangible fixed assets

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

Cost comprises purchase price and directly attributable costs.

As permitted by IFRS 1, the company has opted to treat previous revaluations of property made under UK GAAP as deemed cost at the date of transition.

Freehold land is not depreciated. For all other tangible fixed assets, depreciation is calculated on a straight-line basis to allocate cost less residual values of the assets over their estimated useful lives as follows:

Freehold buildings	up to 50 years
Leasehold buildings	shorter of 50 years or lease term
Plant and machinery	5 to 20 years
Motor vehicles	4 to 10 years

Residual values and useful lives are reviewed at each financial year end.

Assets not fully constructed at the balance sheet date are classified as assets in the course of construction. When construction is complete these assets are reclassified to the appropriate heading within tangible fixed assets. Depreciation commences when the asset is ready for use.

The cost of maintenance, repairs and minor equipment is charged to the profit and loss account as incurred; the cost of major renovations and improvements is capitalised.

Investment property

Investment properties are properties held for long-term rental yields. Investment properties are carried in the balance sheet at cost less accumulated depreciation. Freehold land is not depreciated. For all other investment property, depreciation is calculated on a straight-line basis to allocate cost less residual values of the assets over their estimated useful lives as follows:

Freehold buildings	up to 50 years
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The cost of maintenance, repairs and minor equipment is charged to the profit and loss account as incurred; the cost of major renovations and improvements is capitalised.

Investments

Investments are initially measured at cost, including transaction costs.

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured by other means are held at cost.

Carr's Flour Mills Limited

Statement of accounting policies (continued)

Impairment of fixed assets

Fixed assets are reviewed for impairment where there are any events or changes in circumstances that would indicate potential impairment. Where an indicator of impairment exists, the company makes an estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is deemed for an individual asset. If the asset does not generate cash flows that are largely independent of those from other assets or groups of assets, the recoverable amount of the cash generating unit to which the asset belongs is determined. Discount rates reflecting the asset specific risks and the time value of the money are used for the value in use calculation.

Stocks

Stocks are stated at the lower of cost and net realisable value. 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. Where appropriate, cost is calculated on a specific identification basis. Otherwise stocks are valued using the first-in first-out method.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provision has been made, where necessary, for slow moving, obsolete and defective stock.

Leasing

Leases are classified as finance leases at inception where substantially all of the risks and rewards of ownership are transferred to the company. Assets classified as finance leases are capitalised on the balance sheet and are depreciated over the shorter of the useful life of the asset and the term of the lease. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease using the actuarial method.

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Any incentives to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been substantively enacted by the balance sheet date.

Carr's Flour Mills Limited

Statement of accounting policies (continued)

Taxation (continued)

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax arising from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, is not recognised. Deferred tax is measured using tax rates that have been substantively enacted by the balance sheet date and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Tax is recognised in the profit and loss account.

Government grants

Grants received in respect of capital expenditure are recorded as deferred income and are taken to the profit and loss account in equal annual instalments over the estimated useful lives of the assets concerned.

Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debtor is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision for impairment, and the amount of the loss is recognised in the profit and loss account. The provision is utilised when a trade debtor is uncollectible.

Borrowings

Interest-bearing loans and overdrafts are recognised initially at fair value net of direct issue costs and are subsequently stated at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Trade creditors

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments and hedging activities

The company primarily uses forward foreign currency contracts to manage its exposure to fluctuating foreign exchange rates. These instruments are initially recognised at fair value and are subsequently re-measured at their fair value at each balance sheet date. The company does not designate derivatives as hedge instruments and therefore does not adopt hedge accounting. As a result changes in the fair value of derivative financial instruments are recognised in the profit and loss account as they arise.

Carr's Flour Mills Limited

Statement of accounting policies (continued)

Share-based payments

The ultimate parent company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting year, based on the company's estimate of shares that will eventually vest.

Fair value is measured by use of a valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

At each balance sheet date the ultimate parent company revises its estimate of the number of options that are expected to vest. Changes to the fair value recognised as a result of this are charged or credited to the profit and loss account with a corresponding adjustment to the equity compensation reserve.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

New standards and interpretations

From 31 August 2014 the following became effective and were adopted by the company:

- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosures of interests in other entities'
- Amendments to IFRS 10, 11 and 12 on transition guidance
- IAS 27 (revised 2011) 'Separate financial statements'
- IAS 28 (revised 2011) 'Associates and joint ventures'
- Amendments to IFRS 10, IFRS 12 and IAS 27 on consolidation for investment entities
- Amendments to IAS 32 on Financial instruments asset and liability offsetting
- Amendments to IAS 36 'Impairment of assets' on recoverable amount disclosures
- Amendments to IAS 39 'Financial instruments: Recognition and measurement' on novation of derivatives and hedge accounting
- IFRIC 21 'Levies'

The adoption of these standards and interpretations has had no impact on the company's profit for the year or equity.

Carr's Flour Mills Limited

Statement of accounting policies (continued)

Significant judgements, key assumptions and estimates

Application of certain company accounting policies requires management to make judgements, assumptions and estimates concerning the future as detailed below.

Valuation of share-based payments

The fair value of share-based payments is determined using valuation models and is charged to the profit and loss account over the vesting year. The valuation models require certain assumptions to be made as shown in the tables in Note 19. Estimations of vesting and satisfaction of performance criteria are required to determine fair value.

Provision for impairment of trade debtors

The financial statements include a provision for impairment of trade debtors (Note 12) that is based on management's estimation of recoverability. There is a risk that the provision will not match the trade debtors that ultimately prove to be irrecoverable.

Valuation of derivative financial instruments

The fair value of derivative financial instruments is determined using market factors at the year end over which management have no control. Such factors include the estimate of future currency exchange rates. In addition the fair value of such instruments is affected by the global economic environment and financial institution pricing structures.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015

1 Turnover

At 29 August 2015, all of the activities of the company fall into one class of business, namely that of flour milling. All turnover originated in the UK.

2 Operating profit

The following items have been included in arriving at operating profit:

	2015	2014
	£	£
Staff costs (Note 3)	7,051,728	7,062,008
Foreign exchange (gains)/losses	(692)	33,356
Depreciation of tangible fixed assets (Note 8)	1,860,366	1,856,367
(Profit)/loss on disposal of tangible fixed assets	(11,572)	5,630
Depreciation of investment property (Note 9)	3,540	3,540
Amortisation of intangible assets (Note 7)	15,281	16,733
Amortisation of government grants (Note 16)	(100,043)	(50,044)
Loss on derivative financial instruments (Note 17)	71,963	2,199
Impairment of investments (Note 10)	1,545,933	-
Release of provision against inter-company loans	(1,545,933)	-
Other operating lease rentals payable	700,210	686,804

Included within operating profit is the following in respect of investment property:

	2015	2014
	£	£
Rental income	12,600	12,360
Operating expenses	(10,855)	(9,306)
	1,745	3,054

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

2 Operating profit (continued)

Services provided by the company's auditors and network firms

During the year the company obtained the following service from the company's auditors as detailed below:

	2015	2014
	£	£
Statutory audit	59,739	55,876

Taxation and general advice costs have been borne by the ultimate parent company, in the current and preceding year.

3 Employees and directors

Staff costs for the company during the year

	2015	2014
	£	£
Wages and salaries	5,906,443	5,904,949
Social security costs	602,537	611,194
Fair value charge on share based payments	64,035	44,063
Other pension costs (Note 18)	478,713	501,802
	7,051,728	7,062,008

The average monthly number of people (including executive directors) employed by the company was:

	2015	2014
	Number	Number
Sales, office and management	71	73
Manufacturing and distribution	107	113
	178	186

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

3 Employees and directors (continued)

Directors' emoluments

	2015	2014
	£	£
Salaries and short term benefits	168,260	193,117
Fair value charge on share based payments	42,556	31,738
Other pension costs	-	23,352
	210,816	248,207

The above amounts are in respect of one director. The other directors are remunerated by the parent company. Accordingly, the above details include no emoluments in respect of these directors.

Retirement benefits are accruing to one (2014: one) director under a defined benefit pension scheme.

Highest paid director

	2015	2014
	£	£
Aggregate emoluments	168,260	193,117
Defined benefit scheme:		
Accrued benefit at year end	39,015	38,553

No share options were exercised by the highest paid director in the current or prior year.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

4 Interest receivable and interest payable

	2015	2014
	£	£
Other interest receivable and similar income		
Bank interest	8	15
Interest receivable on amounts owed by group undertakings	339	1,990
Other interest receivable	313	-
Total interest receivable	660	2,005
Interest payable and similar charges		
Bank interest	(76,035)	(111,003)
Interest payable on amounts owed by group undertakings	(327,984)	(330,779)
Interest payable on finance leases	(291,311)	(342,561)
Total interest payable	(695,330)	(784,343)

5 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2015	2014
	£	£
Current tax:		
Current tax expense	349,941	458,339
Adjustments in respect of prior years	(22,722)	267,951
	327,219	726,290
Deferred tax (Note 20):		
Origination and reversal of timing differences	94,044	27,365
Adjustments in respect of prior years	60,538	(204,840)
	154,582	(177,475)
Taxation	481,801	548,815

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

5 Tax on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK of 20.58% (2014: 22.17%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before taxation	2,433,518	2,289,176
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 20.58% (2014: 22.17%)	500,818	507,510
<i>Effects of:</i>		
Adjustments in respect of prior years	37,816	63,111
Income not taxable for tax purposes	(379,130)	(18,837)
Expenses not deductible for tax purposes	325,024	-
Effect of changes in tax rates	(2,727)	(2,969)
Total tax charge for the year	481,801	548,815

The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015. This was substantively enacted prior to the year end. Deferred tax balances at 29 August 2015 have been calculated using a tax rate of 20%.

6 Dividends paid

	2015	2014
	£	£
£6.753 (2014: £1.013) per £1 share	1,400,000	210,000

There is no proposed dividend in respect of the year ended 29 August 2015.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

7 Intangible assets

	Customer relationships £	Brands £	Total £
Cost			
At 31 August 2014 and 29 August 2015	1,663,210	344,986	2,008,196
Accumulated amortisation			
At 31 August 2014	1,663,210	238,275	1,901,485
Charge for the year	-	15,281	15,281
At 29 August 2015	1,663,210	253,556	1,916,766
Net book amount			
At 29 August 2015	-	91,430	91,430
At 30 August 2014	-	106,711	106,711

Brands are being amortised in line with income streams expected to be generated over a 20 year year, being the directors' estimate of the useful economic life.

The amortisation charge is included within administrative expenses in the profit and loss account.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 31 August 2014	13,321,264	38,774,859	1,370,708	53,466,831
Additions at cost	47,483	1,262,762	38,190	1,348,435
Transfers to group companies	-	-	(20,849)	(20,849)
Disposals	-	-	(36,742)	(36,742)
At 29 August 2015	13,368,747	40,037,621	1,351,307	54,757,675
Accumulated depreciation				
At 31 August 2014	2,522,555	23,577,880	1,012,132	27,112,567
Charge for the year	263,701	1,481,572	115,093	1,860,366
Transfers to group companies	-	-	(8,429)	(8,429)
Disposals	-	-	(33,742)	(33,742)
At 29 August 2015	2,786,256	25,059,452	1,085,054	28,930,762
Net book amount				
At 29 August 2015	10,582,491	14,978,169	266,253	25,826,913
At 30 August 2014	10,798,709	15,196,979	358,576	26,354,264

Included in the above amounts for plant and machinery and motor vehicles are assets held under finance leases with a net book amount of £9,312,127 (2014: £9,936,280). This consists of cost of £11,857,625 (2014: £11,900,216) less accumulated depreciation of £2,545,498 (2014: £1,963,936).

The company's bankers hold legal charges over certain properties.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

8 Tangible fixed assets (continued)

Depreciation is recognised within the profit and loss account as shown below:

	2015	2014
	£	£
Cost of sales	1,750,447	1,734,970
Distribution costs	75,671	91,909
Administrative expenses	34,248	29,488
	1,860,366	1,856,367

9 Investment property

	Land and buildings £
Cost	
At 31 August 2014 and 29 August 2015	177,000
Accumulated depreciation	
At 31 August 2014	59,178
Charge for the year	3,540
At 29 August 2015	62,718
Net book amount	
At 29 August 2015	114,282
At 30 August 2014	117,822

The directors consider that the fair value of investment properties amounts to £665,000 (2014: £665,000).

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

10 Investments

Investments in subsidiaries

	£
Cost	
At 31 August 2013 and 31 August 2014	2
Additions	1,545,933
At 29 August 2015	1,545,935
Provision for impairment	
At 31 August 2013 and 31 August 2014	-
Impairment in the year	1,545,933
At 29 August 2015	1,545,933
Net book amount	
At 29 August 2015	2
At 30 August 2014	2

Investments in subsidiaries are stated at cost. A list of subsidiary undertakings is given below:

	Country of incorporation and operation	% holding	Class of share	Nature of business
George Shackleton & Sons Limited	Republic of Ireland	100	Ordinary	Dormant company
Carrs Foodtech Limited	England	100	Ordinary	Dormant company
AC Burn Limited	England	99	Ordinary	Dormant company

Consolidated financial statements have not been prepared as the company is exempt from preparing and delivering to the Registrar of Companies consolidated financial statements. This is because it is included in the consolidated financial statements of a larger group drawn up to the same date, which are publicly available. See Note 25 for further details.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

10 Investments (continued)

Other investments

	£
Cost and net book amount	
At 31 August 2013, 30 August 2014 and 29 August 2015	1,000

Other investments principally comprise ordinary shares in several private companies. These investments have been classified as unquoted investments for which fair value cannot be reliably measured and are held at cost.

The directors believe the carrying value of the investments is supported by their underlying net assets.

11 Stocks

	2015	2014
	£	£
Raw materials and consumables	3,084,153	3,972,493
Finished goods	1,035,866	1,049,170
	4,120,019	5,021,663

There is no provision for impairment of stocks.

The cost of stocks recognised as an expense and included in cost of sales during the year is £68,016,951 (2014: £75,413,645).

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

12 Debtors

	2015	2014
	£	£
Amounts receivable within one year:		
Trade debtors	10,851,505	12,394,350
Less: provision for impairment of trade debtors	(35,339)	(170,722)
Trade debtors – net	10,816,166	12,223,628
Amounts owed by group undertakings	77,326	78,775
Other debtors	169,484	157,218
Prepayments	326,458	258,140
	11,389,434	12,717,761
Amounts receivable after more than one year:		
Deferred tax asset (Note 20)	22,262	7,464
	11,411,696	12,725,225

The movement in the provision for impaired trade debtors consists of increases for additional provisions offset by debtors written off and unused provision released back to the profit and loss account. Amounts charged to the provision for impairment are generally written off when there is no expectation of recovering additional cash. A charge of £32,669 (2014: £115,589) is recognised within administrative expenses in the profit and loss account in respect of the provision for impairment of trade debtors.

There is no impairment of other debtors to be recognised in the current or preceding year.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

13 Creditors: amounts falling due within one year

	2015	2014
	£	£
Bank overdraft	-	223,960
Trade creditors	5,273,333	5,853,881
Amounts owed to group undertakings	20,547,142	20,508,044
Amounts owed to associated undertakings (Note 24)	799	1,447
Finance leases (Note 15)	1,406,858	1,393,156
Derivative financial instruments (Note 17)	71,963	-
Current tax creditor	314,809	431,210
Other taxes and social security	181,957	205,506
Other creditors	-	100,000
Accruals and deferred income	599,922	739,261
	28,396,783	29,456,465

Loans from group undertakings are unsecured. Finance lease obligations are secured on the asset to which they relate.

14 Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Finance leases (Note 15)	5,907,081	7,324,943
Deferred income (Note 16)	1,578,538	1,478,624
	7,485,619	8,803,567

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

15 Finance leases

	Repayment profile	
	2015	2014
	£	£
Finance lease obligations		
Amounts payable:		
Within one year	1,406,858	1,393,156
In the second year	1,430,298	1,413,810
In the third to fifth years inclusive	4,476,783	4,452,822
Over five years	-	1,458,311
	7,313,939	8,718,099

16 Deferred income

	2015	2014
	£	£
Grants		
Brought forward	1,478,624	1,178,668
Received in the year	300,000	350,000
Amortisation for the year	(100,043)	(50,044)
Carried forward	1,678,581	1,478,624

	2015	2014
	£	£
Due within one year	100,043	-
Due after more than one year	1,578,538	1,478,624
	1,678,581	1,478,624

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

17 Derivative financial instruments

	2015	2014
	£	£
Forward foreign currency contracts		
Brought forward asset	-	(2,199)
Profit and loss account charge	71,963	2,199
Carried forward liability	71,963	-

The company does not adopt hedge accounting. Any gains or losses on derivative financial instruments have been recognised in the profit and loss account in the year they arise.

18 Retirement benefits

(a) Carr's Group Pension Scheme

The company participates in a group pension scheme operated by Carr's Group plc. The pension scheme offers a defined benefit and a defined contribution section. The assets of the scheme are held separately from those of the company and are invested with an independent manager. The defined benefit section of the scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The last full actuarial assessment of the scheme was at 31 December 2011. The actuarial valuation as at 31 December 2014 is not yet finalised.

The pension expense for the defined benefit section of the scheme for the year was £69,241 (2014: £109,915). The pension expense for the defined contribution section of the scheme for the year was £192,255 (2014: £156,714). Outstanding contributions for the scheme at the year end were £18,701 (2014: £18,734).

Recognition of the defined benefit asset and related disclosures required by IAS19 in respect of the group scheme are provided in the Carr's Group plc financial statements.

Costs are not defined for each individual company as the company is unable to identify its underlying share of the pension scheme assets and liabilities in the scheme. Contributions payable by Carr's Flour Mills Limited are therefore charged to the profit and loss account in the year they fall due. Common contribution rates apply across the Carr's Group plc group as a whole and a number of company reorganisations have occurred.

(b) Carr's Flour Mills Group Personal Pension Plan

The company also participates in a Group Personal Pension plan. The assets of the scheme are held separately from those of the company in an independently administered fund.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

18 Retirement benefits (continued)

The pension expense for the year charged to the profit and loss account is £207,599 (2014: £229,434). Outstanding contributions due for the scheme at the year end were £19,321 (2014: £17,791).

(c) Other

The company contributes into NEST on behalf of certain employees. Contributions of £9,618 have been made in the year (2014: £5,739).

19 Share-based payments

The company participates in a long term incentive plan. Shares will be awarded to eligible individuals subject to a Carr's Group plc group earnings per share (EPS) target measured against average annual increases over a three year year. For the awards granted in May 2013 an average annual growth of EPS must exceed 7.0% for 25% of the awards to vest, 50% vest at 8.1% and 100% vest at 10.2%, with a straight line calculation between 25%, 50% and 100% of the award. For the awards granted in November 2013 and November 2014 an average annual growth of EPS must exceed 3.0% for 25% of the awards to vest and 100% vest at 10.0% , with a straight line calculation between 25% and 100% of the award.

The approved share options (Share Option Scheme 2006) were granted to certain senior employees and directors. Options are exercisable between three and ten years from the date of grant, subject to the movement of the Carr's Group plc Group's adjusted earnings per share over the three years to 31 August 2008 exceeding that of the RPI by an average of 2% per annum.

All employees, subject to eligibility criteria, may participate in the share save scheme. Under this scheme employees are offered savings contracts for both 3 year and 5 year vesting year plans. The exercise year is 6 months from the vesting date.

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

19 Share-based payments (continued)

The fair value per option granted and the assumptions used in the calculation of fair values are as follows:

	Long Term Incentive Plan November 2014	Long Term Incentive Plan November 2013	Long Term Incentive Plan May 2013	Share Save Scheme (3- Year Plan 2014)	Share Save Scheme (5- Year Plan 2014)	Share Save Scheme (5- Year Plan 2011)	Approved Executive Share Option Scheme 2006
Grant date	10/11/14	11/11/13	1/5/13	9/6/14	9/6/14	10/5/11	24/2/06
Share price at grant date (weighted average)**	£1.600	£1.683	£1.315	£1.870	£1.870	£0.720	£0.476
Exercise price (weighted average)**	£0.00	£0.00	£0.00	£1.520	£1.520	£0.572	£0.476
Number of employees	1	1	1	28	11	13	2
Shares under option**	43,160	40,230	50,230	93,280	56,590	146,100	90,000
Vesting year (years)	3	3	3	3	5	5	3
Model used for valuation	Market value*	Market value*	Market value*	Black Scholes	Black Scholes	Black Scholes	Binomial
Expected volatility	-	-	-	30.0%	26.9%	24.00%	22.44%
Option life (years)	10	10	10	3.5	5.5	5.5	10
Expected life (years)	6.5	6.5	6.5	3.25	5.25	5.25	6.5
Weighted average remaining contractual life (years)	9	8	7	2.25	4.25	1.25	0.5
Risk-free rate	-	-	-	1.51%	2.07%	2.450%	4.224%
Expected dividends expressed as a dividend yield	2.81%	3.02%	2.42%	1.93%	1.93%	3.90%	3.36%
Expectations of vesting	100%	100%	100%	95%	95%	95%	100%
Expectations of meeting performance criteria	50%	50%	100%	N/A	N/A	N/A	100%
Fair value per option**	£1.504	£1.597	£1.237	£0.490	£0.529	£0.156	£0.099

* discounted for dividends forgone over the three year vesting period.

** restated for the effect of the 10:1 share split of Carr's Group plc shares in January 2015.

The expected volatility has been calculated using historical daily data over a term commensurate with the expected life of each option. The expected life is the midpoint of the exercise year. The risk-free rate of return is the implied yield of zero-coupon UK Government bonds with a remaining term equal to the expected term of the award being valued.

During the year 15,000 (2014: nil) options were exercised in the Approved Executive Share Option Scheme 2006 with a weighted average exercise price of £0.476 (2014 restated: £0.476). In addition nil (2014 restated: 55,500) options were exercised in the Share Save Scheme 2011 (3 year plan) with a weighted average exercise price of £0.572 (2014 restated: £0.572).

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

20 Provisions for liabilities

The movement on the deferred tax account is shown below:

	2015	2014
	£	£
Brought forward net liability	1,567,821	1,745,296
Profit and loss account charge/(credit) (Note 5)	154,582	(177,475)
Carried forward net liability	1,722,403	1,567,821

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets because it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same legal jurisdiction as permitted by IAS 12) during the year are shown below:

Deferred tax assets	Short term timing differences
	£
At 31 August 2014	(7,464)
Profit and loss account credit	(14,798)
At 29 August 2015 (Note 12)	(22,262)

Deferred tax liabilities	Accelerated capital allowances	Other	Total
	£	£	£
At 31 August 2014	1,382,904	192,381	1,575,285
Profit and loss account charge	169,380	-	169,380
At 29 August 2015	1,552,284	192,381	1,744,665

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

21 Called up share capital

	2015	2014
	£	£
Authorised		
250,000 (2014: 250,000) ordinary shares of £1 each	250,000	250,000
250,000 (2014: 250,000) 3.5% redeemable preference shares of £1 each	250,000	250,000
Allotted and fully paid		
207,307 (2014: 207,307) ordinary shares of £1 each	207,307	207,307

22 Commitments under operating leases

	2015 Plant and machinery	2014 Plant and machinery
	£	£
Total future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
Within one year	414,699	437,659
Later than one year and less than five years	736,423	843,309
	1,151,122	1,280,968

23 Contingent liabilities

The company has given an unlimited cross guarantee with regard to all amounts owing to Clydesdale Bank PLC by its parent company and fellow subsidiary companies. At 29 August 2015 the aggregate amount outstanding under these group banking arrangements was £10,245,646 (2014: £6,396,050).

Carr's Flour Mills Limited

Notes to the financial statements for the year ended 29 August 2015 (continued)

24 Related party transactions

The company has the following transactions with related entities:

In respect of the year ended 29 August 2015

	Sales to £	Purchases from £	Amounts owed by £	Amounts owed to £
Transactions with fellow group companies which are not wholly owned:				
Carrs Billington Agriculture (Sales) Limited	406	(93,686)	22	(40,518)
Other related party transactions:				
Carrs Billington Agriculture (Operations) Limited	-	-	-	(799)

Carrs Billington Agriculture (Operations) Limited is an associate of Carr's Group plc, the company's immediate parent.

In respect of the year ended 30 August 2014

	Sales to £	Purchases from £	Amounts owed by £	Amounts owed to £
Transactions with fellow group companies which are not wholly owned:				
Carrs Billington Agriculture (Sales) Limited	518	(64,934)	80	(3,843)
Other related party transactions:				
Carrs Billington Agriculture (Operations) Limited	-	-	-	(1,447)

25 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Carr's Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Carr's Group plc consolidated financial statements can be obtained from the Company Secretary at Carr's Group plc, Old Croft, Stanwix, Carlisle, CA3 9BA.