

Company Registration No. 04115751 (England and Wales)

MELDON VILLAGE STORAGE AND DRYING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



MELDON VILLAGE STORAGE AND DRYING LIMITED

COMPANY INFORMATION

Directors

P.A. Jackson
G.J. Bright
R.J. Davison
C.J. Stephenson
G.O. Alderslade
A.R. Graham
D.W. Hall
R. Allinson
D.J. Gibson
M.W. Hutchinson

(Appointed 18 February 2021)

Secretary

W M Wood

Company number

04115751

Registered office

Tyne Dock
South Shields
Tyne & Wear
NE34 9PL

Auditor

Greaves West & Ayre
17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

MELDON VILLAGE STORAGE AND DRYING LIMITED

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MELDON VILLAGE STORAGE AND DRYING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Fair review of the business

The company maintained the high level of participation from local farmers in the region. The company continued to invest significant capital in the store in both infrastructure and new plant and machinery and the company will continue with this policy.

The high level of investments made over the previous two years have resulted in efficient systems which is reflected in the improved financial results.

Principal Risks and Uncertainties

The company is able to benefit from reduced prices for supplies due to the buying power of the group and associated companies, thus mitigating its exposure to price risk.

The unlimited cross guarantee between the company and Tynegrain Limited allows some mitigation of exposure to cashflow and liquidity risk.

By order of the board


W M Wood
Secretary

6 October 2021

MELDON VILLAGE STORAGE AND DRYING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company continued to be that of the drying, dressing, grading and storing of grain.

Results and dividends

The results for the year are set out on page 8.

The loss for the year, after taxation, amounted to £82,487 (2020 £158,138). No dividends were paid or proposed during the year.

Directors

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

P.A. Jackson

G.J. Bright

R.J. Davison

Dr. W. Taylor

(Resigned 18 December 2020)

C.J. Stephenson

G.O. Alderslade

A.R. Graham

D.W. Hall

R. Allinson

D.J. Gibson

M.W. Hutchinson

(Appointed 18 February 2021)

Auditor

The auditors, Greaves West & Ayre, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

MELDON VILLAGE STORAGE AND DRYING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic Report

Please refer to the Strategic Report for details of a review of the business for the year and a description of principal risks and uncertainties.

By order of the board



W M Wood
Secretary

6 October 2021

MELDON VILLAGE STORAGE AND DRYING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MELDON VILLAGE STORAGE AND DRYING LIMITED

Opinion

We have audited the financial statements of Meldon Village Storage and Drying Limited (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MELDON VILLAGE STORAGE AND DRYING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MELDON VILLAGE STORAGE AND DRYING LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

MELDON VILLAGE STORAGE AND DRYING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MELDON VILLAGE STORAGE AND DRYING LIMITED

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation, employment legislation and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspecting current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- traced a sample of sales transactions from source documentation to nominal ledgers;
- traced a sample of sales around the year-end from source documentation to invoice to ensure cut-off is operating correctly;
- traced a sample of sales credit notes throughout the year and around the year-end in order to confirm their commercial justification; and
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the company; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

MELDON VILLAGE STORAGE AND DRYING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MELDON VILLAGE STORAGE AND DRYING LIMITED

The laws and regulations which are considered to be significant to the entity relate to health and safety. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Craig Little CA (Senior Statutory Auditor)
For and on behalf of Greaves West & Ayre

6 October 2021

Chartered Accountants
Statutory Auditor

17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

MELDON VILLAGE STORAGE AND DRYING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	496,933	553,446
Administrative expenses		(515,117)	(672,686)
Other operating income		1,887	5,189
Operating loss	4	(16,297)	(114,051)
Interest payable and similar expenses	6	(170)	(894)
Loss before taxation		(16,467)	(114,945)
Tax on loss	7	(66,020)	(43,193)
Loss for the financial year		(82,487)	(158,138)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MELDON VILLAGE STORAGE AND DRYING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	2021 £	2020 £
Loss for the year	(82,487)	(158,138)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(82,487)</u>	<u>(158,138)</u>

MELDON VILLAGE STORAGE AND DRYING LIMITED

BALANCE SHEET

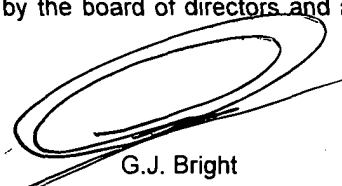
AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		980,437		885,090
Current assets					
Debtors	9	92,953		118,386	
Cash at bank and in hand		56,707		-	
		<u>149,660</u>		<u>118,386</u>	
Creditors: amounts falling due within one year	10	<u>(921,095)</u>		<u>(817,174)</u>	
Net current liabilities			(771,435)		(698,788)
Total assets less current liabilities			<u>209,002</u>		<u>186,302</u>
Creditors: amounts falling due after more than one year	11		(39,167)		-
Provisions for liabilities					
Deferred tax liability	14	109,213		43,193	
		<u>(109,213)</u>		<u>(43,193)</u>	
Net assets			<u>60,622</u>		<u>143,109</u>
Capital and reserves					
Called up share capital	16		1		1
Profit and loss reserves			60,621		143,108
Total equity			<u>60,622</u>		<u>143,109</u>

The financial statements were approved by the board of directors and authorised for issue on 6 October 2021 and are signed on its behalf by:



P.A. Jackson
Director



G.J. Bright
Director

Company Registration No. 04115751

MELDON VILLAGE STORAGE AND DRYING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2019	1	301,246	301,247
Year ended 30 June 2020:			
Loss and total comprehensive income for the year	-	(158,138)	(158,138)
Balance at 30 June 2020	1	143,108	143,109
Year ended 30 June 2021:			
Loss and total comprehensive income for the year	-	(82,487)	(82,487)
Balance at 30 June 2021	1	60,621	60,622

MELDON VILLAGE STORAGE AND DRYING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	21	268,708		67,701	
Interest paid		(170)		(894)	
Income taxes (paid)/refunded		-		3,073	
Net cash inflow from operating activities		268,538		69,880	
Investing activities					
Purchase of tangible fixed assets		(212,019)		(208,779)	
Proceeds on disposal of tangible fixed assets		25,500		-	
Net cash used in investing activities		(186,519)		(208,779)	
Financing activities					
Proceeds from borrowings		-		50,000	
Repayment of borrowings		(40,000)		-	
Repayment of bank loans		39,167		-	
Net cash (used in)/generated from financing activities		(833)		50,000	
Net increase/(decrease) in cash and cash equivalents		81,186		(88,899)	
Cash and cash equivalents at beginning of year		(24,479)		64,420	
Cash and cash equivalents at end of year		56,707		(24,479)	
Relating to:					
Cash at bank and in hand		56,707		-	
Bank overdrafts included in creditors payable within one year		-		(24,479)	

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Meldon Village Storage and Drying Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tyne Dock, South Shields, Tyne & Wear, NE34 9PL.

1.1 Accounting convention

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

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

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

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

In particular, the company has generated losses in this and the two prior years. Over the longer term, such losses are not sustainable. The directors are currently considering the actions that they could take to improve the company's prospects. At this point, no decisions about these actions have been taken.

Whilst there are material uncertainties about the company's future, it is not considered that the going concern basis of accounting is inappropriate and, therefore, the audit report is unmodified.

1.3 Turnover

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

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

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

1.4 Tangible fixed assets

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

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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

Silos and Buildings	10-20% Straight Line
Plant and machinery	5-20% Straight Line
Office and Laboratory Equipment	10-33% Straight Line
Motor vehicles	33% Straight Line

No depreciation is applied to assets under construction.

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Cash and cash equivalents

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

1.7 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

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

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

1.11 Retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year in respect of the company's defined contribution scheme.

1.12 Leases

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

2 Judgements and key sources of estimation uncertainty

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

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

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Turnover and other revenue

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

	2021 £	2020 £
Turnover analysed by class of business		
Drying, Storage and related activities	496,933	553,446

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	496,933	553,446

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	7,729	7,645
Depreciation of owned tangible fixed assets	90,315	71,634
Loss on disposal of tangible fixed assets	857	-
Operating lease charges	26,412	26,412

5 Employees

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

	2021 Number	2020 Number
Average number of employees	2	4

Their aggregate remuneration, plus rehired labour from other companies, totalled:

	2021 £	2020 £
Wages and salaries	79,359	131,111
Social security costs	1,266	5,910
Pension costs	2,299	2,241
	82,924	139,262

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	170	894

7 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	66,020	43,193

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

	2021	2020
	£	£
Loss before taxation	(16,467)	(114,945)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(3,129)	(21,840)
Tax effect of expenses that are not deductible in determining taxable profit	17,323	13,610
Permanent capital allowances in excess of depreciation	(63,554)	(23,436)
Deferred tax movement relating to the origination and reversal of timing differences	39,809	43,193
Utilisation of tax losses	49,360	31,666
Deferred tax movement relating to a change in tax rate	26,211	-
Taxation charge for the year	66,020	43,193

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Tangible fixed assets

	Silos and Buildings	Assets under construction	Plant and machinery	Office and Laboratory Equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	377,517	25,924	1,043,594	35,762	8,132	1,490,929
Additions	44,166	-	163,353	4,500	-	212,019
Disposals	-	-	(61,500)	-	-	(61,500)
Transfers	-	(25,924)	25,924	-	-	-
At 30 June 2021	421,683	-	1,171,371	40,262	8,132	1,641,448
Depreciation and impairment						
At 1 July 2020	307,591	-	258,022	32,094	8,132	605,839
Depreciation charged in the year	10,360	-	77,095	2,860	-	90,315
Eliminated in respect of disposals	-	-	(35,143)	-	-	(35,143)
At 30 June 2021	317,951	-	299,974	34,954	8,132	661,011
Carrying amount						
At 30 June 2021	103,732	-	871,397	5,308	-	980,437
At 30 June 2020	69,926	25,924	785,572	3,668	-	885,090

9 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	29	92
Amounts owed by group undertakings	26,945	664
Other debtors	24,946	88,220
Prepayments and accrued income	41,033	29,410
	92,953	118,386

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	12	-	24,479
Other borrowings	12	10,000	50,000
Trade creditors		26,975	26,053
Amounts owed to group undertakings		868,826	687,034
Other creditors		-	19,287
Accruals and deferred income		15,294	10,321
		<u>921,095</u>	<u>817,174</u>

11 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	12	<u>39,167</u>	<u>-</u>

12 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	-	24,479
Other borrowings	49,167	50,000
	<u>49,167</u>	<u>74,479</u>
Payable within one year	10,000	74,479
Payable after one year	<u>39,167</u>	<u>-</u>

The bank overdraft is secured as follows:-

Fixed charge over book debts and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets dated 1 August 1994.

Company unlimited multilateral guarantee dated 21 July 1994 given by Tynegrain Limited and Grainco Limited.

Unlimited cross guarantee dated 8 June 2001 given by Tynegrain Limited.

Other borrowings are unsecured.

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Transactions with directors

All transactions with the directors were in the normal course of business and were conducted on an "arms length" basis.

During the year, sales of £33,786 were made to directors (2020 £60,303). £Nil was owed by the directors at 30 June 2021 (2020 £Nil). Purchases of £1,963 were made from directors (2020 £6,162). No amounts were outstanding at the year end (2020 £Nil).

14 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
ACAs	109,213	43,193
	<u> </u>	<u> </u>
Movements in the year:		2021 £
Liability at 1 July 2020		43,193
Charge to profit or loss		39,809
Effect of change in tax rate - profit or loss		26,211
		<u> </u>
Liability at 30 June 2021		109,213
		<u> </u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature.

Following the enactment of the Finance Act 2021 the deferred tax provision at the year end has been calculated using a rate of 25% (2020 19%).

15 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,299	2,241
	<u> </u>	<u> </u>

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

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary share of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The company has one class of ordinary shares which carry no right to fixed income. The share does carry voting rights.

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

17 Other related party relationships and transactions

Trading with group and associated companies:

	2021 £	2020 £
Sales		
Grainco Limited	108,602	38,251
Tynegrain Limited	24,920	41,507
Forestco Limited	-	213
	<u>133,522</u>	<u>79,971</u>
	2021 £	2020 £
Purchases		
Grainco Limited	96,799	161,409
Tynegrain Limited	11,500	56,946
Tynegrain Agriculture Limited	55,672	101,367
Pellet Co Limited	8,958	-
Forestco Limited	6,599	3,904
	<u>179,528</u>	<u>323,626</u>

At the year end the following amounts were due by or to the company:-

	Creditors		Debtors	
	2021 £	2020 £	2021 £	2020 £
Grainco Limited	851,219	7,034	26,945	306
Tynegrain Limited	3,840	680,000	-	358
Tynegrain Agriculture Limited	-	19,287	-	-
Pellet Co Limited	10,750	-	-	-
Forestco Limited	3,017	-	-	-
	<u>868,826</u>	<u>706,321</u>	<u>26,945</u>	<u>664</u>

All of the above amounts are unsecured and interest free.

18 Financial commitments, guarantees and contingent liabilities

An unlimited cross guarantee exists between the company and Tynegrain Limited.

MELDON VILLAGE STORAGE AND DRYING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

19 Operating lease commitments

Lessee

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

	2021 £	2020 £
Within one year	26,412	26,412
Between two and five years	-	26,412
	<u>26,412</u>	<u>52,824</u>

20 Ultimate controlling party

The company's ultimate holding company is Tynegrain Limited, a company registered in England under the Co-operative and Community Benefit Societies Act 2014 under number 23873R. Accounts for this company can be obtained from The Financial Conduct Authority.

21 Cash generated from operations

	2021 £	2020 £
Loss for the year after tax	(82,487)	(158,138)
Adjustments for:		
Taxation charged	66,020	43,193
Finance costs	170	894
Loss on disposal of tangible fixed assets	857	-
Depreciation and impairment of tangible fixed assets	90,315	71,634
Movements in working capital:		
Decrease in debtors	25,433	110,458
Increase/(decrease) in creditors	168,400	(340)
Cash generated from operations	<u>268,708</u>	<u>67,701</u>

22 Analysis of changes in net funds/(debt)

	1 July 2020 £	Cash flows £	30 June 2021 £
Cash at bank and in hand	-	56,707	56,707
Bank overdrafts	(24,479)	24,479	-
	<u>(24,479)</u>	<u>81,186</u>	<u>56,707</u>
Borrowings excluding overdrafts	(50,000)	833	(49,167)
	<u>(74,479)</u>	<u>82,019</u>	<u>7,540</u>