

Parent Ref: 11678549

Company Registration No. 23873R (England and Wales)

TYNEGRAIN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

FRIDAY



AA221950

A05

09/04/2021

#172

COMPANIES HOUSE

TYNEGRAIN LIMITED

COMPANY INFORMATION

Directors	P.A. Jackson Dr. W. Taylor R.J. Davison G.J. Bright C.J. Stephenson G.O. Alderslade R. Allinson A.R. Graham D.W. Hall D.J. Gibson
Secretary	W M Wood
Company number	23873R
Registered office	Tyne Dock South Shields Tyne & Wear NE34 9PL
Auditor	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ

TYNEGRAIN LIMITED

CONTENTS

	Page
Strategic report	1 - 5
Directors' report	6 - 7
Independent auditor's report	8 - 10
Profit and loss account	11
Group statement of comprehensive income	12
Group balance sheet	13
Society balance sheet	14
Group statement of changes in equity	15
Society statement of changes in equity	16
Group statement of cash flows	17
Society statement of cash flows	18
Notes to the financial statements	19 - 45

TYNEGRAIN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present the strategic report for the year ended 30 June 2020.

Statement by the directors in performance of their statutory duties

The board of directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole in the decisions taken during the year ended 30 June 2020. In particular, by reference to the approval of our business plan and regular board meeting discussions which guide the future of the company.

Our discussions and plans aim to secure the success of the group in the long term for the benefit of stakeholders, employees and customers.

To achieve this, we have built a board with a great deal of industry experience to allow them to assess the risks facing the group.

We aim to continue to secure the best deals available for farmers in the North of England and Scotland by utilising the group's strategic assets, marketing skills and other protection against risks outwith their control.

Our employees are also essential to the delivery of the board's plans. We continue to seek experienced staff who can fulfil the required roles, and also aim to provide secure employment and provide fair pay, benefits and working conditions. For many of our staff health and safety poses a particular risk due to the inherent dangers of the sites and a great deal of time, thought and finance is provided to ensure that all necessary PPE and training is provided to allow employees to work safely. The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through informal meetings, newsletters and annual performance reviews.

The group gives full and fair consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

As the board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating with the highest standards of business conduct and good governance. This contributes to the delivery of our plans for the group's future. The intention is to continue to grow the group's reputation and ensure that the actions of management and employees reflect the board's responsible behaviour.

In turn, this allows stakeholders to also benefit from the company's success.

TYNEGRAIN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Fair review of the business

Tynegrain Limited

The Society is registered under the Co-operative and Community Benefit Societies Act 2014. It operates as an Agricultural Co-operative Society on behalf of its members and is responsible for drying, grading and storing member's grain.

The Board continues to seek further opportunities that would add value to the membership directly or indirectly through Tynegrain Limited or its subsidiaries.

Meldon Village Storage & Drying Limited

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

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.

Grainco Limited

The Company continues to be primarily engaged in the drying, storing and trading of UK grain and remains the largest farmer owned grain business in the North of England and Scotland.

The volumes of traded grain reduced slightly but grain handled through its network of storage complex's increased. A record volume of seed was processed through its own dedicated seed plant.

During the year a pelleting plant was constructed and fully commissioned to convert agri products into animal feed or biomass for the energy market.

The Company's customer relationships remain robust due to our excellent service levels and logistical capabilities backed by our strong balance sheet.

The Company continues to seek new ventures which would add value to its farmer clients and benefit the entire food chain.

The Company continues to enjoy an excellent banking relationship with the HSBC Bank which has entered its 25th year.

TYNEGRAIN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Principal risks and uncertainties

The group is exposed to many operational and commercial risks. It is the responsibility of the group's Board of Directors to assess these risks and ensure appropriate controls are in place to mitigate their effect. The policies are monitored and reviewed by the Finance & Risk Committee and are presented to the main Board for consideration. The group's significant financial risks and relevant policies, which have not changed throughout the year, are as follows:

- A shortage of grain - the group procures a large proportion of its grain requirements directly from UK farmers across North East England and Scotland. The group also has several strategic alliances with suppliers, both within the UK and further afield, capable of fulfilling grower shortages
- The loss of stock or equipment - the group has high safety and operating standards across all its sites with critical equipment subject to a continual maintenance review. The group also has a tailored insurance programme to minimise financial and operating impact in the event of a loss. These procedures and plans are regularly reviewed by the directors and other external parties to ensure they remain robust and appropriate
- A decline in demand - markets are closely monitored by the directors and communication is regular to ensure their plans are consistent with those of the group. A significant grain volume is forward sold on agreements with fixed or minimum contracted volumes
- Grain and energy prices - the group is exposed to potentially volatile grain and energy costs and mitigates this risk through entering into, when appropriate to do so, a mixture of variable and fixed price contracts at various points in advance of the physical delivery of grain and energy. When considered appropriate, the group also uses approved futures and hedging markets to manage price risk on grain trading positions, and
- Brexit outcomes - there continues to be significant uncertainty on how the UK's decision to leave the EU on 31 December 2020 ("Brexit") will impact UK businesses. The company's primary focus is mitigating supply chain disruption should a disorderly Brexit happen. Should this scenario include the UK trading under WTO trading terms, which include tariffs on many agricultural products, then the UK grain industry could be disadvantaged. The Board expects that in the short term Brexit may create disruption and uncertainties but equally will also lead to opportunities which the Board believes the group is well placed to benefit from.
- Insurance policies – The group has in place a wide range of insurance policies to mitigate its risk exposure such as, bad debt, stock deterioration, equipment and public liability risk.
- The Board also considers matters of corporate governance across the group and ensures that agreed procedures are adhered to robustly and appropriately documented.
- Covid 19 - The group continues to operate at pre-Covid levels with all its activities being defined as essential and all staff being designated as Key Workers. The group has invested in the required PPE, IT and infrastructure to operate under all Government Covid Guidelines. A proportion of the staff, where practical, are operating from home. The Covid 19 Pandemic has had a minimal impact on our business activities to date.

Directors Appointed to the Finance & Risk Committee: Steve Gillie (Chair), Peter Jackson, Bob Davison, Susan Duck (Finance Officer), Gary Bright (Managing Director) Gareth Baird.

TYNEGRAIN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Financial risk management

The directors regularly review and agree its policies for managing financial risk. The policies are implemented by the Group's financial controller. The Group's significant financial risks and relevant policies, which have not changed throughout the year, are as follows:

- Credit risk - this risk arises from the collection of trade debtors. Credit checks are performed on potential customers through our credit insurance scheme before sales are transacted. The amount of exposure to any individual customer is controlled by means of credit limit that is set by our insurers. Invoice financing is also in place to reduce the financial impact of non-collection of debtors
- Liquidity risk - the company mitigates this risk by ensuring that sufficient bank facilities are in place to meet the investment and working capital needs of the company, including any seasonal borrowing peaks. Bank covenants and forecast facility headroom are monitored monthly and more regularly if forecast facility headroom falls below pre-determined limits
- Commodity price and position risk - The trading activities of the company necessitate that forward positions are taken in order to meet supply requirements in the ordinary course of business. Positions are operated within duly authorised limits relevant to each commodity group. Senior management and board members regularly review these positions compared to those limits. Exposure to the commodity price fluctuation is controlled by the operation of position limits and by the use of approved futures markets. The company accounts for these forward contracts by fair value hedge accounting
- Interest rate risk - the company has interest bearing liabilities exposed to movements in the United Kingdom base rate. The risk is mitigated through a balanced mix of floating and, when considered appropriate, capped and/or fixed rate borrowings to ensure stability of future interest cash flows
- Currency risk - Trading activities include export/import of grain, which creates exposure to movements in foreign exchange rates, principally Euro and US dollar. The exposure to this risk is managed through matching forward exchange contracts. Authorisation for binding the company to such contracts is restricted to authorised officers.
- Cyber crime risk - the company's use of technology exposes it to digital, or cyber, crime. This exposure is also heightened by the general increase in criminal activity across the globe and the increasing sophistication of criminals. Cyber crime impacts range from events aimed at disrupting business activity to fraudulently obtaining cash payments. The company mitigates this risk through investment in up to date security of its technology assets as well as employee training and education.

TYNEGRAIN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Key performance indicators

The directors consider that the most relevant KPI's are as follows:

- Turnover - £173,863,921 (2019 £182,926,193)
- Profit before tax - £1,807,934 (2019 £1,228,360)
- Gross income margin is a measure of the net contribution from the group's core activities and is gross income expressed as a percentage of income. Gross income margin for the year was 5.1% (2019: 4.2%). As the parent company is a co-operative society, surpluses are returned to the members by way of rebates which results in a lower gross income margin than is actually achieved.
- Earnings (or income) Before Interest, Tax and Depreciation ("EBITDA") as a measure of cash generation and value creation. EBITDA for the year was £3,453,108 (2019: £3,016,141).
- Return on Capital Employed ("ROCE") as a measure of operational efficiency. ROCE is operating income as a percentage of invested capital. Invested capital is non-current and current assets less current liabilities. ROCE for the year was 0.06% (2019: 0.6%).

By order of the board



W M Wood

Secretary

12 November 2020

TYNEGRAIN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities

The Society is registered under the Co-operative and Community Benefit Societies Act 2014. It operates as an *Agricultural Co-operative Society* on behalf of its members and is responsible for drying, grading, storing and distributing members grain.

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
Dr. W. Taylor
R.J. Davison
G.J. Bright
C.J. Stephenson
G.O. Alderslade
R. Allinson
A.R. Graham
D.W. Hall
D.J. Gibson

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend. (2019 £Nil).

Members Rebate

During the year the company returned £294,179 (2019 £277,872) to its members by way of a £5 (2019 £5) per tonne rebate.

Auditor

Greaves West & Ayre will remain in office until such time that a resolution has been passed at a general meeting of the society to appoint someone instead of them or providing expressly that they shall not be re-appointed.

TYNEGRAIN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Statement of Board's responsibilities

The directors are responsible for preparing the Directors Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

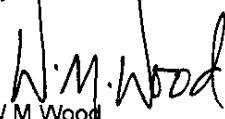
The directors are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society 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 corporate and financial information included on the society's website.

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 auditor of the company 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 auditor of the company is aware of that information.

By order of the board


W M Wood
Secretary

12 November 2020

TYNEGRAIN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TYNEGRAIN LIMITED

Opinion

We have audited the financial statements of Tynegrain Limited (the 'parent society') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the Group Revenue Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Society Balance Sheet, the Group Statement of Changes in Equity, the Society Statement of Changes in Equity, the Group Statement of Cash Flows, the Society Statement of Cash Flows and notes to the financial statements, including a summary of 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 group's and the parent society's affairs as at 30 June 2020 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

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 group 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.

The impact of uncertainties on our audit due to the UK leaving the European Union

Uncertainties relating to the effects of the UK leaving the European Union are relevant to understanding our audit of the financial statements. All audits assess the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. These depend upon assessments of the future economic environment and the company's prospects.

Leaving the EU is a significant economic event for the UK, and at the date of this report its effects are subject to various possible outcomes, with the full range of possible effects unknown. We have applied a standard firm wide approach in response to this uncertainty when assessing the company's future prospects. However, it is not possible to predict all of the possible effects on the company of the UK leaving the European Union.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, as we cannot predict all future events, in particular with regard to any possible effects arising from the UK leaving the European Union, the absence of a reference to a material uncertainty in this report is not a guarantee that the company will continue in operation.

TYNEGRAIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TYNEGRAIN LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters

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.

In light of the knowledge and understanding of the society and its environment obtained in the course of the audit, the auditor has not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained, or the society has not kept proper accounting records; or
- proper returns adequate for the audit have not been received from branches not visited; or
- the financial statements are not in agreement with the group's books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's Responsibilities Statement, the Board is 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 Board determines 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 Board is responsible for assessing the group's and the parent society'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 Board either intends to liquidate the group or the parent society or to cease operations, or have no realistic alternative but to do so.*

TYNEGRAIN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TYNEGRAIN LIMITED

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.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit.

The auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. The auditor is responsible for the direction, supervision and performance of the group audit and remains solely responsible for the auditor's opinion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/apb/scope/private.cfm>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the group's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the group'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 group and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Greaves West & Ayre

12 November 2020

**Chartered Accountants
Statutory Auditor**

17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

TYNEGRAIN LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Income	3	173,863,921	182,926,193
Cost of sales		(164,936,092)	(175,193,039)
Gross income		8,927,829	7,733,154
Administrative expenses		(9,003,305)	(7,692,915)
Other operating income		90,235	106,208
Operating income	4	14,759	146,447
Interest receivable and similar income	8	1,330	5,812
Interest payable and similar expenses	9	(171,174)	(467,769)
Fair value adjustments on contracts	10	1,963,019	1,506,605
Income before taxation		1,807,934	1,191,095
Taxation	11	(382,027)	588,846
Income for the financial year		1,425,907	1,779,941

The Revenue Account has been prepared on the basis that all operations are continuing operations.

TYNEGRAIN LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Income for the year	1,425,907	1,779,941
Other comprehensive income		
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method	103,749	60,562
Total comprehensive income for the year	<u>1,529,656</u>	<u>1,840,503</u>

Total comprehensive income for the year is all attributable to the owners of the parent society.

TYNEGRAIN LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Goodwill	13		23,333		43,333
Tangible assets	14		12,417,858		11,070,639
Investment properties	15		779,970		779,970
Investments	16		214,314		110,566
			<u>13,435,475</u>		<u>12,004,508</u>
Current assets					
Stocks	21	13,548,167		11,337,212	
Debtors	22	22,012,501		30,709,278	
Cash at bank and in hand		3,939,821		2,012,206	
		<u>39,500,489</u>		<u>44,058,696</u>	
Creditors: amounts falling due within one year	23	<u>(27,033,617)</u>		<u>(31,497,943)</u>	
Net current assets			<u>12,466,872</u>		<u>12,560,753</u>
Total assets less current liabilities			<u>25,902,347</u>		<u>24,565,261</u>
Creditors: amounts falling due after more than one year	24		(212,500)		(362,500)
Provisions for liabilities	26		(43,193)		-
Deferred income			(1,058,219)		(1,140,739)
Net assets			<u><u>24,588,435</u></u>		<u><u>23,062,022</u></u>
Capital and reserves					
Called up share capital	28		115		114
Other reserves	29		1,802,660		1,805,904
Profit and loss reserves			22,785,660		21,256,004
Total equity			<u><u>24,588,435</u></u>		<u><u>23,062,022</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 November 2020 and are signed on its behalf by:

P.A. Jackson
Director



G.J. Bright
Director



W.M. Wood
Secretary



TYNEGRAIN LIMITED

SOCIETY BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	3,211,550		2,785,825	
Investments	16	1,750,002		1,750,002	
		<u>4,961,552</u>		<u>4,535,827</u>	
Current assets					
Stocks	21	34,555		14,071	
Debtors	22	874,730		1,196,885	
Cash at bank and in hand		1,369,707		1,279,596	
		<u>2,278,992</u>		<u>2,490,552</u>	
Creditors: amounts falling due within one year	23	(689,958)		(608,722)	
Net current assets		<u>1,589,034</u>		<u>1,881,830</u>	
Total assets less current liabilities		<u>6,550,586</u>		<u>6,417,657</u>	
Deferred income		(487,229)		(526,217)	
Net assets		<u>6,063,357</u>		<u>5,891,440</u>	
Capital and reserves					
Called up share capital	28	115		114	
Other reserves	29	1,802,660		1,805,904	
Profit and loss reserves		4,260,582		4,085,422	
Total equity		<u>6,063,357</u>		<u>5,891,440</u>	

The financial statements were approved by the board of directors and authorised for issue on 12 November 2020 and are signed on its behalf by:

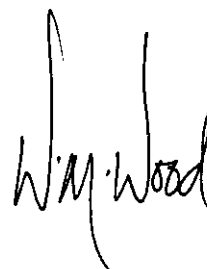
P.A. Jackson
Director



G.J. Bright
Director



W.M. Wood
Secretary



Company Registration No. 23873R

TYNEGRAIN LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2018		113	1,805,900	19,415,501	21,221,514
Year ended 30 June 2019:					
Profit for the year		-	-	1,779,941	1,779,941
Other comprehensive income:					
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method		-	-	60,562	60,562
Total comprehensive income for the year		-	-	1,840,503	1,840,503
Issue of share capital	28	3	-	-	3
Redemption of shares	28	(2)	-	-	(2)
Other movements		-	4	-	4
Balance at 30 June 2019		114	1,805,904	21,256,004	23,062,022
Year ended 30 June 2020:					
Profit for the year		-	-	1,425,907	1,425,907
Other comprehensive income:					
Other comprehensive income of associates and jointly controlled entities accounted for using the equity method		-	-	103,749	103,749
Total comprehensive income for the year		-	-	1,529,656	1,529,656
Issue of share capital	28	4	-	-	4
Redemption of shares	28	(3)	-	-	(3)
Other movements		-	(3,244)	-	(3,244)
Balance at 30 June 2020		115	1,802,660	22,785,660	24,588,435

TYNEGRAIN LIMITED

SOCIETY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 July 2018		113	1,805,900	3,874,237	5,680,250
Year ended 30 June 2019:					
Profit and total comprehensive income for the year		-	-	211,185	211,185
Issue of share capital	28	3	-	-	3
Redemption of shares	28	(2)	-	-	(2)
Other		-	4	-	4
Balance at 30 June 2019		114	1,805,904	4,085,422	5,891,440
Year ended 30 June 2020:					
Profit and total comprehensive income for the year		-	-	175,160	175,160
Issue of share capital	28	4	-	-	4
Redemption of shares	28	(3)	-	-	(3)
Other		-	(3,244)	-	(3,244)
Balance at 30 June 2020		115	1,802,660	4,260,582	6,063,357

TYNEGRAIN LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	37		(697,840)		6,525,168
Interest paid			(171,174)		(467,769)
Income taxes refunded/(paid)			284,796		(575,488)
Net cash (outflow)/inflow from operating activities			(584,218)		5,481,911
Investing activities					
Purchase of tangible fixed assets		(3,283,641)		(3,047,521)	
Proceeds on disposal of tangible fixed assets		568,943		109,177	
Purchase of subsidiaries		-		(1)	
Cash and cash equivalents acquired when control of subsidiary achieved		138,683		-	
Purchase of joint ventures		-		(1)	
Proceeds from other financial instruments		1,963,019		1,506,605	
Interest received		1,330		5,812	
Net cash used in investing activities			(611,666)		(1,425,929)
Financing activities					
Proceeds from issue of shares		14,004		3	
Redemption of shares		(17,243)		(2)	
Proceeds from borrowings		50,000		-	
Repayment of bank loans		(150,000)		(160,000)	
Repayment of derivatives		742,137		(2,231,452)	
Net cash generated from/(used in) financing activities			638,898		(2,391,451)
Net (decrease)/increase in cash and cash equivalents			(556,986)		1,664,531
Cash and cash equivalents at beginning of year			(9,398,789)		(11,063,320)
Cash and cash equivalents at end of year			(9,955,775)		(9,398,789)
Relating to:					
Cash at bank and in hand			3,939,821		2,012,206
Bank overdrafts included in creditors payable within one year			(13,895,596)		(11,410,995)

TYNEGRAIN LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	38	769,178		470,157	
Interest paid		-		(8)	
Income taxes paid		(5,664)		(4,844)	
Net cash inflow from operating activities		<u>763,514</u>		<u>465,305</u>	
Investing activities					
Purchase of tangible fixed assets		(671,494)		(1,133,128)	
Proceeds on disposal of tangible fixed assets		-		3,000	
Interest received		1,330		5,812	
Net cash used in investing activities		<u>(670,164)</u>		<u>(1,124,316)</u>	
Financing activities					
Proceeds from issue of shares		14,004		3	
Redemption of shares		(17,243)		(2)	
Repayment of bank loans		-		(10,000)	
Net cash used in financing activities		<u>(3,239)</u>		<u>(9,999)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>90,111</u>		<u>(669,010)</u>	
Cash and cash equivalents at beginning of year		1,279,596		1,948,606	
Cash and cash equivalents at end of year		<u><u>1,369,707</u></u>		<u><u>1,279,596</u></u>	

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Tynegrain Limited ("the company") is a Co-operative and Community Benefit Society limited by shares and registered with the Financial Conduct Authority. The society's registered number is 23873R. The society is domiciled and incorporated in England and Wales. The registered office is Tyne Dock, South Shields, Tyne & Wear, NE34 9PL.

The group consists of Tynegrain Limited and all of its subsidiaries.

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 Co-operative and Community Benefit Societies Act 2014.

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.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries and joint ventures are accounted for at cost less impairment. Associates are consolidated via equity accounting.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Tynegrain Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the cost method.

1.3 Going concern

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

1.4 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.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing any excess of the value of the consideration given over the value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is not more than 20 years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods that the non monetary assets are recovered through depreciation or sale. Negative goodwill deemed to arise from past events or as a result of acquisition accounting rules is released to the profit and loss account in the year of acquisition.

1.6 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.

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

Land, Silos & buildings	3%-20% Straight Line
Plant and machinery	5%-50% Straight Line
Fixtures, fittings, office & laboratory equipment	10%-33.33% Straight Line
Motor vehicles	14%-50% Straight Line

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 recognised in the profit and loss account.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Associates are consolidated via equity accounting.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.10 Stocks

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

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

The group has elected to use hedge accounting to account for commodity stock.

As a result of the fact that stock is part of a wider hedge, the hedge adjustments are included through the financial instruments rather than as an adjustment to stock values.

Stock is accounted for at the lower of cost or net realisable value at each reporting date, as such there is no requirement to have a separate impairment review.

1.11 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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

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

1.14 Derivatives

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

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

Hedge accounting

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.15 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.16 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.

1.17 Retirement benefits

The group contributes towards a defined benefit scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.18 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 leased asset are consumed.

1.19 Government grants

Government grants are recognised under the accrual method at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grant income currently recognised in the accounts relates to grants relating to capital expenditure. The amount of grant income recognised in the accounts is disclosed in note 4 to the accounts.

1.20 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.21 Profit Incentive Scheme

The group operates a profit increase incentive scheme which is open to all selected employees who accept written invitations to participate. The scheme is a four year incentive scheme which will terminate on 30 June 2023. No bonus will be payable under the scheme unless pre-tax profits equal or exceed the target set.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
Grain trading, storage and related activities	173,863,921	182,926,193
	2020 £	2019 £
Other significant revenue		
Interest income	1,330	5,812
Grants received	38,988	13,146
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	167,222,112	178,367,681
Other European countries	6,641,809	4,558,512
	173,863,921	182,926,193

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(38,988)	(13,146)
Depreciation of owned tangible fixed assets	1,452,732	1,134,276
Impairment of owned tangible fixed assets	36,532	276,309
Profit on disposal of tangible fixed assets	(123,649)	(70,829)
Amortisation of intangible assets	109,715	23,333
Operating lease charges	210,112	208,956

5 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	12,510	11,294
Audit of the financial statements of the company's subsidiaries	46,483	43,246
	58,993	54,540
For other services		
Taxation compliance services	5,250	1,400

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5 Auditor's remuneration

(Continued)

During the year the auditor also received £30,936 for the supply of IT services. The auditor also received £56,344 which related to recharged equipment cost.

6 Employees

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

	2020 Number	2019 Number
Directors	10	10
Operational	68	57
Administration	6	6
	<u>84</u>	<u>73</u>

The aggregate remuneration of employees, excluding directors, comprised:

	2020 £	2019 £
Wages and salaries	2,242,462	2,012,301
Social security costs	264,705	196,352
Pension costs	450,946	250,786
	<u>2,958,113</u>	<u>2,459,439</u>

The group contributes towards a number of defined contribution pension schemes on behalf of certain employees, including four directors. The assets of the scheme are held separately from those of the group in independently administered funds. The pension charge represents contributions payable by the group to the funds in respect of employees who are not directors and amounted to £450,946 (2019 £250,786). There are no amounts due at the year end.

Please see the Directors' remuneration note for details of amounts paid in respect of directors.

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	635,579	643,029
Amounts receivable under long term incentive schemes	245,189	(5,378)
Company pension contributions to defined contribution schemes	245,224	76,883
	<u>1,125,992</u>	<u>714,534</u>

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

7 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	508,420	284,589
Company pension contributions to defined contribution schemes	9,036	17,326

This figure represents amounts paid to the highest paid director during the year and does not include amounts accruing in relation to the company's long term incentive scheme. It does include the payments made relating to the crystallisation of the four year incentive scheme which ended on the 30 June 2019. These additional amounts are calculated and paid on an agreed basis which relates to the value added to the group over the previous four year period and do not form part of the directors annual remuneration package.

Included in remuneration for qualifying services are directors' benefits receivable in respect of use of and fuel for vehicles and medical care.

No directors were paid any shares in respect of qualifying services under a long term incentive scheme.

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	1,330	5,812

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,330	5,812
--	-------	-------

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	171,174	467,769

10 Amounts written off investments

	2020 £	2019 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	1,963,019	1,506,605

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

11 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	185,730	(166,920)
Deferred tax		
Origination and reversal of timing differences	196,297	(421,926)
Total tax charge/(credit)	382,027	(588,846)

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

	2020 £	2019 £
Profit before taxation	1,807,934	1,191,095
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	343,507	226,308
Tax effect of expenses that are not deductible in determining taxable profit	76,587	12,845
Tax effect of income not taxable in determining taxable profit	(29,382)	(48,425)
Group relief	(148,913)	-
Permanent capital allowances in excess of depreciation	(218,372)	(136,918)
Utilisation of tax losses	55,111	51,233
Settlement of provisions for previous years	83,666	(271,963)
Deferred tax	196,297	-
Late capital allowance claim	-	(421,926)
Tax on share of income from associates - paid by associate	23,526	-
Taxation charge/(credit)	382,027	(588,846)

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2020 £	2019 £
In respect of:			
Property, plant and equipment	14	36,532	276,309
Recognised in:			
Administrative expenses		36,532	276,309

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

12 Impairments

(Continued)

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2019	(261,893)
Additions	89,715
At 30 June 2020	(172,178)
Amortisation and impairment	
At 1 July 2019	(305,226)
Amortisation charged for the year	109,715
At 30 June 2020	(195,511)
Carrying amount	
At 30 June 2020	23,333
At 30 June 2019	43,333

The company had no intangible fixed assets at 30 June 2020 or 30 June 2019.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

14 Tangible fixed assets

Group	Land, Silos & buildings	Assets under construction	Plant and machinery	Fixtures, fittings, office & laboratory equipment	Office & laboratory equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£	£
At 1 July 2019	10,432,043	654,789	8,717,545	14,614	819,051	1,585,764	22,223,806
Additions	663,087	435,242	1,951,071	-	71,344	150,523	3,271,267
Business combinations	-	-	12,374	-	-	-	12,374
Disposals	-	-	(738,354)	-	(466,681)	(188,130)	(1,393,165)
Transfers	235,010	(654,789)	419,779	-	-	-	-
At 30 June 2020	11,330,140	435,242	10,362,415	14,614	423,714	1,548,157	24,114,282
Depreciation and impairment							
At 1 July 2019	5,087,095	-	4,114,491	14,614	780,084	1,156,883	11,153,167
Depreciation charged in the year	354,930	-	828,519	-	29,177	240,106	1,452,732
Impairment losses	-	-	36,532	-	-	-	36,532
Eliminated in respect of disposals	-	-	(320,776)	-	(466,681)	(160,414)	(947,871)
Business combinations	-	-	1,864	-	-	-	1,864
At 30 June 2020	5,442,025	-	4,660,630	14,614	342,580	1,236,575	11,696,424
Carrying amount							
At 30 June 2020	5,888,115	435,242	5,701,785	-	81,134	311,582	12,417,858
At 30 June 2019	5,344,948	654,789	4,603,054	-	38,967	428,881	11,070,639

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Company	Land, Silos & buildings	Assets under construction	Plant and machinery	Office & laboratory equipment	Total
	£	£	£	£	£
Cost					
At 1 July 2019	5,114,751	149,590	3,724,549	172,988	9,161,878
Additions	32,695	409,318	214,481	15,000	671,494
Disposals	-	-	(70,794)	-	(70,794)
Transfers	-	(149,590)	149,590	-	-
At 30 June 2020	5,147,446	409,318	4,017,826	187,988	9,762,578
Depreciation and impairment					
At 1 July 2019	3,800,723	-	2,405,259	170,071	6,376,053
Depreciation charged in the year	108,013	-	132,382	1,244	241,639
Eliminated in respect of disposals	-	-	(66,664)	-	(66,664)
At 30 June 2020	3,908,736	-	2,470,977	171,315	6,551,028
Carrying amount					
At 30 June 2020	1,238,710	409,318	1,546,849	16,673	3,211,550
At 30 June 2019	1,314,028	149,590	1,319,290	2,917	2,785,825

More information on the impairment arising in the previous year is given in note 12.

15 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 July 2019 and 30 June 2020	779,970	-

Investment property comprises various properties at the Piercebridge site. As the properties were purchased recently, it is considered by the directors that the cost is a reliable estimate of the current fair value.

16 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	17	1	1	1,750,001	1,750,001
Investments in associates	18	214,311	110,562	-	-
Investments in joint ventures	19	1	2	1	1
Unlisted investments		1	1	-	-
		214,314	110,566	1,750,002	1,750,002

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

16 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 July 2019	110,565	1	110,566
Additions	103,748	-	103,748
At 30 June 2020	214,313	1	214,314
Carrying amount			
At 30 June 2020	214,313	1	214,314
At 30 June 2019	110,565	1	110,566

Movements in fixed asset investments Company

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 July 2019 and 30 June 2020	1,750,002
Carrying amount	
At 30 June 2020	1,750,002
At 30 June 2019	1,750,002

17 Subsidiaries

Details of subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Grainco Limited	1	Ordinary	100.00
Grainco Scotland Limited	1	Ordinary	100.00
Meldon Village Storage and Drying Limited	1	Ordinary	100.00
Maritime Shipping and Logistics Ltd	1	Ordinary	100.00
Forestco Limited	1	Ordinary	100.00

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

17 Subsidiaries

(Continued)

Registered office addresses (all UK unless otherwise indicated):

1 Tyne Dock, South Shields, Tyne & Wear, NE34 9PL

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Grainco Limited	20,311,924	1,753,150
Grainco Scotland Limited	90	-
Meldon Village Storage and Drying Limited	143,109	(158,138)
Maritime Shipping and Logistics Ltd	1	-
Forestco Limited	(344,263)	(130,729)

On 14 November 2019 Grainco Limited acquired the remaining 50% of the share capital of Forestco Limited resulting in Grainco Limited wholly owning the company. Forestco Limited is therefore now treated as a subsidiary of the group.

Forestco Limited - Company No. 11678549 is exempt from the requirement to have an audit of their accounts for the period ended 30 June 2020 under section 479A of the Companies Act 2006.

18 Associates

Details of associates at 30 June 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Pelletco Limited	1	Biomass pellet trading	Ordinary	-	25.00

Please see the registered office address above in the Subsidiaries note.

19 Joint ventures

Details of joint ventures at 30 June 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Tri-Grain Limited	North East Grains Ltd, Longhirst, Morpeth, Northumberland, NE61 3HX	Health and Safety	Ordinary	33.33	-

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

20 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	1,011,825	6,531,798	-	-
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	401,385	5,179,221	-	-

21 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Grains and oilseeds	13,513,612	11,323,141	-	-
Spare parts held for the repair of plant and equipment	34,555	14,071	34,555	14,071
	13,548,167	11,337,212	34,555	14,071

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

22 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	17,040,517	19,310,536	150	20,522
Corporation tax recoverable	-	290,458	-	-
Amounts owed by group undertakings	111,420	248,268	804,237	823,335
Amounts owed by undertakings in which the company has a participating interest	-	4,054	-	4,054
Derivative financial instruments	1,011,825	6,531,798	-	-
Other debtors	611,176	1,116,578	34,840	-
Prepayments and accrued income	2,898,361	2,715,281	35,503	348,974
	<u>21,673,299</u>	<u>30,216,973</u>	<u>874,730</u>	<u>1,196,885</u>
Deferred tax asset (note 26)	255,536	492,305	-	-
	<u>21,928,835</u>	<u>30,709,278</u>	<u>874,730</u>	<u>1,196,885</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 26)	83,666	-	-	-
	<u>83,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>22,012,501</u>	<u>30,709,278</u>	<u>874,730</u>	<u>1,196,885</u>

23 Creditors: amounts falling due within one year

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	25	14,045,596	11,560,995	-	-
Other borrowings	25	50,000	-	-	-
Trade creditors		7,882,440	10,187,032	502,890	204,091
Amounts due to group undertakings		-	-	83,123	33,172
Corporation tax payable		185,730	5,664	4,813	5,664
Other taxation and social security		73,182	127,274	-	40,708
Derivative financial instruments		401,385	5,179,221	-	-
Other creditors		238,220	284,719	69,086	284,719
Accruals and deferred income		4,157,064	4,153,038	30,046	40,368
		<u>27,033,617</u>	<u>31,497,943</u>	<u>689,958</u>	<u>608,722</u>

Details of security are included in note 24 and 25.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

24 Creditors: amounts falling due after more than one year

		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Bank loans and overdrafts	25	212,500	362,500	-	-

The long-term loans are secured as follows:-

First legal charge dated 1 August 1994 over leasehold property known as Tynegrain Silos, Tyne Dock, South Shields.

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 Tynegrain Agriculture Limited.

Unlimited cross guarantee dated 8 June 2001 given by Meldon Village Storage and Drying Limited.

The Grainco Limited bank overdraft is also secured by way of:-

- a first legal charge over the leasehold property know as Plot 9, Wilton International Site, Middlesbrough,
- a debenture including a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and a first floating charge over all assets and undertakings both present and future,
- a charge over contract monies dated 31 January 2014, and
- a fixed charge over book debts and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets.

Interest is charged at 2.5% per annum over the bank's sterling base rate.

25 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	362,500	512,500	-	-
Bank overdrafts	13,895,596	11,410,995	-	-
Other loans	50,000	-	-	-
	<u>14,308,096</u>	<u>11,923,495</u>	<u>-</u>	<u>-</u>
Payable within one year	14,095,596	11,560,995	-	-
Payable after one year	<u>212,500</u>	<u>362,500</u>	<u>-</u>	<u>-</u>

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

25 Loans and overdrafts

(Continued)

The long-term loans are secured as follows:-

First legal charge dated 1 August 1994 over leasehold property known as Tynegrain Silos, Tyne Dock, South Shields.

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 Tynegrain Agriculture Limited.

Unlimited cross guarantee dated 8 June 2001 given by Meldon Village Storage and Drying Limited.

The Grainco Limited bank overdraft is also secured by way of:-

- a first legal charge over the leasehold property know as Plot 9, Wilton International Site, Middlesbrough,
- a debenture including a fixed charge over all present freehold and leasehold property, a first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future, and a first floating charge over all assets and undertakings both present and future,
- a charge over contract monies dated 31 January 2014, and
- a fixed charge over book debts and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets.

26 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Group				
ACAs	43,193	-	-	-
Other timing differences	-	-	339,202	492,305
	<u>43,193</u>	<u>-</u>	<u>339,202</u>	<u>492,305</u>

The company has no deferred tax assets or liabilities.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

26 Deferred taxation

(Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability/(asset) at 1 July 2019	(492,305)	-
Charge to profit or loss	196,296	-
Liability/(asset) at 30 June 2020	(296,009)	-

The deferred tax asset set out above is expected to reverse over the next few years and relates to late capital allowances claims in the year and the settlement of a long term incentive scheme provision.

27 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	818,178	327,669

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. There were no amounts due at the year end.

28 Share capital

	Group and company 2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
115 (2019: 114) Shares of £1 each	115	114

The shares carry voting rights but no fixed entitlement to income.

During the year 4 ordinary shares were issued at par and 3 were redeemed.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

29 Other reserves

Group	Members' loans £
At 1 July 2018	1,805,900
Other movements	4
	<hr/>
At 30 June 2019	1,805,904
Other movements	(3,244)
	<hr/>
At 30 June 2020	<u>1,802,660</u>
	<hr/>
Company	Members' loans £
At 1 July 2018	1,805,900
Other movements	4
	<hr/>
At 30 June 2019	1,805,904
Other movements	(3,244)
	<hr/>
At 30 June 2020	<u>1,802,660</u>
	<hr/>

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

30 Acquisitions

On 14 November 2019 the group acquired the remaining 50 percent of the issued capital of Forestco Limited.

	Book Value £	Adjustments £	Fair Value £
Cash and cash equivalents	2	-	2
Net liabilities acquired	(89,715)	-	(89,715)
Total identifiable net assets	<u>(89,713)</u>	<u>-</u>	<u>(89,713)</u>
Goodwill			89,715
Total consideration			<u>2</u>
The consideration was satisfied by:			£
Cash			<u>2</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			139,867
Loss after tax			<u>(254,551)</u>

As the subsidiary acquired has been loss making in recent years, the goodwill recognised when control was achieved has been fully written off in the period.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

31 Transactions with directors

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Sales	334,325	392,010	196,050	118,550

At the year end the directors were cumulatively due to the group the sum of £20,937 (2019 £26,166) in respect of these sales.

	Group 2020 £	2019 £	Company 2020 £	2019 £
Purchases	2,091,047	2,192,164	112,346	-

At 30 June 2020 £65,767 (2019 £245,729) was owed to the directors.

	Group 2020 £	2019 £	Company 2020 £	2019 £
Pool advances	315,572	667,534	-	-

The pool advances have been made under the provisions of a pool marketing contract and are secured against grain held in store. At 30 June 2020 the balance of the pool advances due from directors was £Nil (2019 £Nil). The above balance represents the maximum balance advanced to directors during the year. All transactions were in the normal course of business.

During the year, dividends of £Nil were paid to the directors (2019 £Nil). No amounts were outstanding at the year end.

All of the amounts shown above are unsecured and expected to be paid or collected in full.

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

32 Financial commitments, guarantees and contingent liabilities

In May 2007 the group entered into arrangements with The Rural Payments Agency in which the company provided a guarantee for the sum of £275,000.

The group has given an unlimited composite guarantee to Tynegrain Agriculture Limited, a company that is connected to the group.

33 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	101,412	101,412	75,000	75,000
Between two and five years	326,412	352,824	300,000	300,000
In over five years	1,335,000	1,410,000	1,335,000	1,410,000
	<u>1,762,824</u>	<u>1,864,236</u>	<u>1,710,000</u>	<u>1,785,000</u>

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>906,843</u>	<u>763,970</u>

35 Related party relationships and transactions

	Group 2020 £	2019 £	Company 2020 £	2019 £
Purchases				
Tynegrain Agriculture Limited	445,217	434,294	343,370	314,785
Meldon Village Storage and Drying Limited	-	-	41,507	23,521
Grainco Limited	-	-	969,322	669,383
Pellet Co Limited	-	2,550	-	2,550
	<u>445,217</u>	<u>436,844</u>	<u>1,354,199</u>	<u>1,010,239</u>

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

35 Related party relationships and transactions

(Continued)

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Sales				
Tynegrain Agriculture Limited	568,334	462,117	2,495	500
Meldon Village Storage and Drying Limited	-	-	56,946	56,283
Grainco Limited	-	-	1,785,092	1,291,468
Pellet Co Limited	347,802	228,392	17,023	59,622
Forestco Limited	-	282,199	-	129
	<u>916,136</u>	<u>972,708</u>	<u>1,861,556</u>	<u>1,408,002</u>

Tynegrain Agriculture Limited is subject to common control with Tynegrain Limited. All transactions are made on an "arms length" basis and in the normal course of business.

Amounts owed to and by related parties are shown in debtors and creditors respectively.

All of the amounts shown above are unsecured and expected to be paid or collected in full.

36 Controlling party

There is no ultimate controlling party as the shares of the company are held by 115 individuals, each holding one share.

37 Cash (absorbed by)/generated from group operations

	2020	2019
	£	£
Profit for the year after tax	1,425,907	1,779,941
Adjustments for:		
Taxation charged/(credited)	382,027	(588,846)
Finance costs	171,174	467,769
Investment income	(1,330)	(5,812)
Gain on disposal of tangible fixed assets	(123,649)	(70,829)
Amortisation and impairment of intangible assets	109,715	23,333
Depreciation and impairment of tangible fixed assets	1,489,264	1,410,585
Amounts written off investments	(1,963,019)	(1,506,605)
(Decrease)/increase in deferred income	(82,520)	460,194
Movements in working capital:		
(Increase)/decrease in stocks	(2,076,871)	5,680,154
Decrease/(increase) in debtors	2,928,375	(3,371,672)
(Decrease)/increase in creditors	(2,956,913)	2,246,956
Cash (absorbed by)/generated from operations	<u>(697,840)</u>	<u>6,525,168</u>

TYNEGRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

38 Cash generated from operations - company

	2020 £	2019 £
Profit for the year after tax	175,160	211,185
Adjustments for:		
Taxation charged	4,813	5,664
Finance costs	-	8
Investment income	(1,330)	(5,812)
Loss/(gain) on disposal of tangible fixed assets	4,130	(3,000)
Depreciation and impairment of tangible fixed assets	241,639	169,383
(Decrease)/increase in deferred income	(38,988)	501,226
Movements in working capital:		
(Increase)/decrease in stocks	(20,488)	2,067
Decrease/(increase) in debtors	322,155	(891,645)
Increase in creditors	82,087	481,081
Cash generated from operations	769,178	470,157

39 Analysis of changes in net debt - group

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	2,012,206	1,927,615	3,939,821
Bank overdrafts	(11,410,995)	(2,484,601)	(13,895,596)
	(9,398,789)	(556,986)	(9,955,775)
Borrowings excluding overdrafts	(512,500)	100,000	(412,500)
	(9,911,289)	(456,986)	(10,368,275)

40 Analysis of changes in net funds - company

	1 July 2019 £	Cash flows £	30 June 2020 £
Cash at bank and in hand	1,279,596	90,111	1,369,707