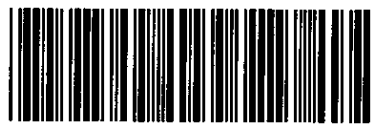


Company registration number 23873R (England and Wales)

**TYNEGRAIN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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# TYNEGRAIN LIMITED

## COMPANY INFORMATION

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

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# TYNEGRAIN LIMITED

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# **TYNEGRAIN LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 30 JUNE 2023***

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The directors present the strategic report for the year ended 30 June 2023.

#### **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 2023. In particular, by reference to the approval of our business plan and regular board meeting discussions which guide the future of the group.

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 group. 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 group's success.

# **TYNEGRAIN LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 30 JUNE 2023***

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#### **Review of the business**

##### Tynegrain Limited

The Tyne Dock storage facilities continue to operate efficiently aided by the previous capital investment made.

The final phase of upgrades will be implemented over the next year which will further improve intake speed, store flexibility and in doing so replace the remaining elevators and conveyors left on site.

The Company is also exploring what additional renewable technology can be harnessed to reduce cost and improve the Company's carbon foot print.

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 Company continues to provide drying and storage services to the local farming community.

Further investment was made to the store so it can continue to offer the speed of turnaround required by its clients.

Further capital expenditure will be made to maintain and improve its facilities.

##### Grainco Limited

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

The 2022/2023 grain marketing year continued to be challenging and volatile as a result of the impact of the Ukraine position and global supply chain uncertainty. Grain prices on the London futures market traded within a £118 range.

Grainco's robust balance sheet and large banking facilities allowed Grainco to continue to trade in its normal manner. All segments of Grainco's diverse operations enjoyed plentiful demand which all aided in delivering a record profit.

Combined with Grainco's excellent financial performance it also provided excellent returns within its pool marketing facility delivering final pool prices well in excess of the farmer's expectations.

The company owns and operates a large scale pelleting plant, primarily producing agri pellets for the energy sector. Trialling continues on new products to enable the company to expand its product range into the future.

The company continues to expand its logistical services in England and Scotland, handling imported products on behalf of a growing number of clients.

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 explore new business ventures which would add value to its farmer clients and benefit the entire food chain and energy sector. In line with this, the company has committed to a significant photovoltaic installation in order to reduce its energy price risk and reduce its carbon footprint.

# TYNEGRAIN LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2023**

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### **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;
- 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; and

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 2023**

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### 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 group mitigates this risk by ensuring that sufficient bank facilities are in place to meet the investment and working capital needs of the group, 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 group 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 group accounts for these forward contracts by fair value hedge accounting;
- Interest rate risk - the group 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 group to such contracts is restricted to authorised officers; and
- Cyber crime risk - the group'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 group 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 2023**

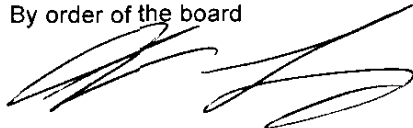
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### Key performance indicators

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

- Turnover £258,532,204 (2022: £215,363,805)
- Profit before tax £5,252,784 (2022: £6,173,644)
- 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 5.6% (2022: 6.4%). 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 £6,384,896 (2022: £8,531,583).
- 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 14.1% (2022: 13.1%).

By order of the board



D. J. Lant  
**Secretary**

2 October 2023



# **TYNEGRAIN LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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The directors present their annual report and financial statements for the year ended 30 June 2023.

#### **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.

#### **Results and dividends**

The results for the year are set out on page 14.

A distribution of £500,000 (2022: £500,000) had been paid out to the Members during the year. The directors do not recommend payment of any further distributions.

#### **Members Rebate**

During the year the group returned £342,039 (2022: £331,392) to its members by way of a £6 (2022: £6) per tonne rebate.

#### **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	
R.J. Davison	
G.J. Bright	
C.J. Stephenson	
G.O. Alderslade	
R. Allinson	(Retired 30 September 2022)
A.R. Graham	
D.W. Hall	
D.J. Gibson	
M.W. Hutchinson	

#### **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.

#### **Energy and carbon report**

As the group has consumed more than 40,000 kWh of energy in this reporting period, it does not qualify as a low energy user and is required to report on its emissions, energy consumption and energy efficiency activities.

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018, the group is mandated to disclose its UK energy use and associated greenhouse gas (GHG) emissions. As a minimum, it is required to report the GHG emissions from fuel combustion, purchased energy and transport vehicles. Additionally, the use of an intensity ratio and an outline of implemented efficiency measures are required under the Streamlined Energy and Carbon Reporting (SECR) regulations.

To ensure a high level of transparency is achieved, robust and recognised reporting methods are implemented. The reporting methodology involves usage of the 2022 DEFRA (Department for Environment, Food and Rural Affairs) emissions factors to calculate and assess our UK operational emissions.

# TYNEGRAIN LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

The SECR reporting period covers GrainCo Limited's UK operations from the 1 July 2022 to the 30 June 2023 and our calculations are for the following scopes:

- **Building-related energy** – Natural gas consumption (Scope 1), fuel combustion at site (Scope 1) and purchased electricity consumption (Scope 2).
- **Transportation** – Fuel combustion for business travel in company vehicles (Scope 1).

#### Calculation methodology

GrainCo Limited's emissions have been assessed by sustainability consultancy McGrady Clarke, in accordance with the 'GHG Protocol Corporate Accounting and Reporting Standard' and in line with Defra's 'Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting Requirements'. The DEFRA 2022 emission conversion factors were used to quantify the emissions associated with GrainCo Limited's UK operations for the specified reporting period.

#### Organisational Boundary

We have used the operational control approach.

#### Intensity measurement

Intensity ratio of tCO<sub>2</sub>e per full time employee equivalent is included as a sector specific metric. To allow further comparison to be made, an additional intensity ratio of tCO<sub>2</sub>e per £million turnover has also been included.

#### Results

Reporting Period		1st July 2021 - 30th June 2022	1st July 2022 - 30th June 2023
Area	Metric	UK & Offshore	UK & Offshore
Emissions from combustion of fuel in company vehicles (Scope 1)	Energy (kWh)	3,599,902	3,341,747
	Emissions (tCO <sub>2</sub> e)	868	799
Emissions from combustion of natural gas at site (Scope 1)	Energy (kWh)	1,954,880	15,155
	Emissions (tCO <sub>2</sub> e)	357	2.8
Emissions from combustion of fuel at site (Scope 1)	Energy (kWh)	8,586,015	4,811,372
	Emissions (tCO <sub>2</sub> e)	1,647	865
Emissions from purchased electricity (Scope 2)	Energy (kWh)	3,626,184	3,246,814
	Emissions (tCO <sub>2</sub> e)	701	672
Emissions from company owned Electric Vehicles (Scope 2)	Energy (kWh)	-	8,334
	Emissions (tCO <sub>2</sub> e)	-	1.7
Intensity Ratio	(tCO <sub>2</sub> e / Employee)	45.81	34.93
Intensity Ratio	(tCO <sub>2</sub> e / £M turnover)	15.24	9.19
Total Energy Consumption	(kWh)	17,766,980	11,423,423
Total Emissions	(tCO <sub>2</sub> e)	3,573	2,340

# TYNEGRAIN LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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### *Energy efficiency measures*

There are no notable energy efficiency measures actioned during the reporting period.

### *Future planned energy efficiency actions*

Hydrogen technology is beginning to develop, so to keep an open watching brief on future developments

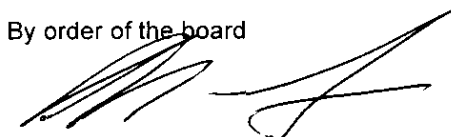
In order to improve the data capture system, we will take the necessary steps to obtain the relevant datasets, to improve the accuracy of our reporting for subsequent years.

For future reporting periods, it is strongly recommended that vehicle fuel data is recorded in litres rather than GBP, in order to produce an accurate emissions figure for vehicle usage going forward.

### **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



D. J. Lant  
**Secretary**

2 October 2023

# **TYNEGRAIN LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2023***

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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.

# TYNEGRAIN LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TYNEGRAIN LIMITED

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### Opinion

We have audited the financial statements of Tynegrain Limited (the 'parent society') and its subsidiaries (the 'group') for the year ended 30 June 2023 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 2023 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.

### 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 group's and parent 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 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.

# **TYNEGRAIN LIMITED**

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

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### **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 directors**

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.

### **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:

# **TYNEGRAIN LIMITED**

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

---

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.

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.

# **TYNEGRAIN LIMITED**

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

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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 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.



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

2 October 2023

**Chartered Accountants  
Statutory Auditor**

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ



# TYNEGRAIN LIMITED

## GROUP REVENUE ACCOUNT

**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2023 £	2022 £
Income	3	258,532,204	215,363,805
Cost of sales	4	(244,068,830)	(201,581,471)
<b>Gross income</b>		<b>14,463,374</b>	<b>13,782,334</b>
Administrative expenses		(9,645,330)	(9,894,663)
Other operating income		84,461	182,735
<b>Operating income</b>	5	<b>4,902,505</b>	<b>4,070,406</b>
Interest receivable and similar income	9	6,831	75
Interest payable and similar expenses	10	(1,138,943)	(461,645)
Fair value adjustments	11	1,982,389	3,064,808
Distribution to members		(500,000)	(500,000)
<b>Income before taxation</b>		<b>5,252,782</b>	<b>6,173,644</b>
Taxation	12	(1,434,491)	(1,205,762)
<b>Income for the financial year</b>		<b>3,818,291</b>	<b>4,967,882</b>

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 2023**

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>3,818,291</b>	<b>4,967,882</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>3,818,291</b>	<b>4,967,882</b>

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

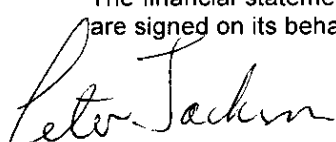
# TYNEGRAIN LIMITED

## GROUP BALANCE SHEET

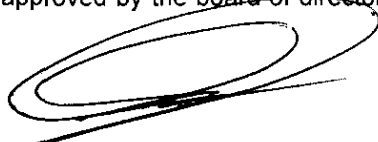
AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	14	9,339,458		10,688,385	
Investment properties	15	779,970		779,970	
Investments	16	3		3	
		<u>10,119,431</u>		<u>11,468,358</u>	
<b>Current assets</b>					
Stocks	20	20,658,374		19,946,498	
Debtors	21	50,055,809		42,900,544	
Cash at bank and in hand		5,473,756		6,023,885	
		<u>76,187,939</u>		<u>68,870,927</u>	
<b>Creditors: amounts falling due within one year</b>	22	(51,538,157)		(49,338,883)	
<b>Net current assets</b>		<u>24,649,782</u>		<u>19,532,044</u>	
<b>Total assets less current liabilities</b>		<u>34,769,213</u>		<u>31,000,402</u>	
<b>Creditors: amounts falling due after more than one year</b>	23	(19,910)		(29,167)	
<b>Provisions for liabilities</b>	25	(153,015)		(127,562)	
<b>Deferred income</b>		<u>(1,030,635)</u>		<u>(1,113,364)</u>	
<b>Net assets</b>		<u><u>33,565,653</u></u>		<u><u>29,730,309</u></u>	
<b>Capital and reserves</b>					
Called up share capital	27	117		114	
Other reserves	28	1,807,760		1,790,710	
Profit and loss reserves		<u>31,757,776</u>		<u>27,939,485</u>	
<b>Total equity</b>		<u><u>33,565,653</u></u>		<u><u>29,730,309</u></u>	

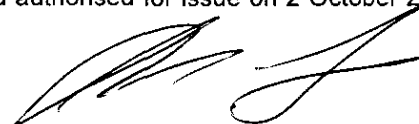
The financial statements were approved by the board of directors and authorised for issue on 2 October 2023 and are signed on its behalf by:



P.A. Jackson  
Director



G.J. Bright  
Director



D.J. Lant  
Secretary

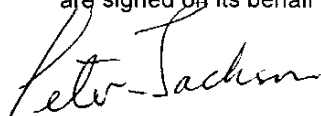
# TYNEGRAIN LIMITED

## SOCIETY BALANCE SHEET

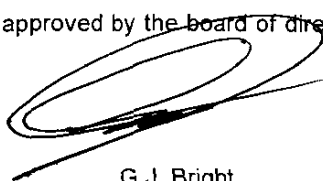
AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	14		3,075,725		3,222,065
Investments	16		1,750,002		1,750,002
			<u>4,825,727</u>		<u>4,972,067</u>
<b>Current assets</b>					
Stocks	20	40,680		61,532	
Debtors	21	1,421,048		162,625	
Cash at bank and in hand		1,824,660		2,679,521	
		<u>3,286,388</u>		<u>2,903,678</u>	
<b>Creditors: amounts falling due within one year</b>	22	(671,572)		(736,606)	
<b>Net current assets</b>			<u>2,614,816</u>		<u>2,167,072</u>
<b>Total assets less current liabilities</b>			<u>7,440,543</u>		<u>7,139,139</u>
<b>Deferred income</b>			(606,827)		(647,634)
<b>Net assets</b>			<u>6,833,716</u>		<u>6,491,505</u>
<b>Capital and reserves</b>					
Called up share capital	27		117		114
Other reserves	28		1,807,760		1,790,710
Profit and loss reserves			5,025,839		4,700,681
<b>Total equity</b>			<u>6,833,716</u>		<u>6,491,505</u>

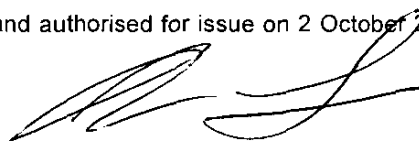
The financial statements were approved by the board of directors and authorised for issue on 2 October 2023 and are signed on its behalf by:



P.A. Jackson  
Director



G.J. Bright  
Director



D.J. Lant  
Secretary

Company Registration No. 23873R

# TYNEGRAIN LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £	Members' loans £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2021</b>		115	1,796,663	22,971,603	24,768,381
<b>Year ended 30 June 2022:</b>					
Profit and total comprehensive income		-	-	4,967,882	4,967,882
Issue of share capital	27	3	-	-	3
Redemption of shares	27	(4)	-	-	(4)
Other movements		-	(5,953)	-	(5,953)
<b>Balance at 30 June 2022</b>		114	1,790,710	27,939,485	29,730,309
<b>Year ended 30 June 2023:</b>					
Profit and total comprehensive income		-	-	3,818,291	3,818,291
Issue of share capital	27	3	-	-	3
Other movements		-	17,050	-	17,050
<b>Balance at 30 June 2023</b>		117	1,807,760	31,757,776	33,565,653

# TYNEGRAIN LIMITED

## SOCIETY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 July 2021</b>		115	1,796,663	4,498,314	6,295,092
<b>Year ended 30 June 2022:</b>					
Profit and total comprehensive income for the year		-	-	202,367	202,367
Issue of share capital	27	3	-	-	3
Redemption of shares	27	(4)	-	-	(4)
Other		-	(5,953)	-	(5,953)
<b>Balance at 30 June 2022</b>		114	1,790,710	4,700,681	6,491,505
<b>Year ended 30 June 2023:</b>					
Profit and total comprehensive income for the year		-	-	325,158	325,158
Issue of share capital	27	3	-	-	3
Other		-	17,050	-	17,050
<b>Balance at 30 June 2023</b>		117	1,807,760	5,025,839	6,833,716

# TYNEGRAIN LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	35		7,925,446		(10,592,366)
Interest paid			(1,138,943)		(461,645)
Income taxes paid			(1,393,627)		(119,328)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>5,392,876</b>		<b>(11,173,339)</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(628,497)		(570,021)	
Proceeds on disposal of tangible fixed assets		463,897		140,969	
Proceeds from other financial instruments		1,982,389		2,697,514	
Interest received		6,831		75	
<b>Net cash generated from investing activities</b>			<b>1,824,620</b>		<b>2,268,537</b>
<b>Financing activities</b>					
Proceeds from issue of shares		3		3	
Movement in other reserves		17,050		(5,959)	
Repayment of borrowings		-		367,294	
Repayment of bank loans		(71,741)		(160,000)	
Repayment of derivatives		337,258		(1,941,762)	
<b>Net cash generated from/(used in) financing activities</b>			<b>282,570</b>		<b>(1,740,424)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>7,500,066</b>		<b>(10,645,226)</b>
Cash and cash equivalents at beginning of year			(21,276,310)		(10,631,084)
<b>Cash and cash equivalents at end of year</b>			<b>(13,776,244)</b>		<b>(21,276,310)</b>
<b>Relating to:</b>					
Cash at bank and in hand			5,473,756		6,023,885
Bank overdrafts included in creditors payable within one year			(19,250,000)		(27,300,195)

# TYNEGRAIN LIMITED

## SOCIETY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	36		(1,202,587)		403,890
Income taxes paid			(18,533)		(18,228)
<b>Net cash (outflow)/inflow from operating activities</b>			(1,221,120)		385,662
<b>Investing activities</b>					
Purchase of tangible fixed assets		(235,943)		(39,367)	
Proceeds from disposal of tangible fixed assets		83,247		-	
Interest received		1,902		75	
Dividends received		500,000		500,000	
<b>Net cash generated from investing activities</b>			349,206		460,708
<b>Financing activities</b>					
Proceeds from issue of shares		3		3	
Movement in other reserves		17,050		(5,959)	
<b>Net cash generated from/(used in) financing activities</b>			17,053		(5,956)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(854,861)		840,414
Cash and cash equivalents at beginning of year			2,679,521		1,839,107
<b>Cash and cash equivalents at end of year</b>			1,824,660		2,679,521



# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2023

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#### 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 group financial statements consist of the financial statements of the parent company Tynegrain Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2023. 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 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. 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.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 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 group 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 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.

#### 1.6 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.

#### 1.7 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.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

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.

##### 1.8 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.

##### 1.9 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.

##### 1.10 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.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 1 Accounting policies

(Continued)

##### 1.11 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.

##### **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.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

---

#### 1 Accounting policies

(Continued)

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.

#### **Derecognition of financial liabilities**

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

#### 1.12 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.

#### 1.13 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.

#### 1.14 Taxation

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

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 1 Accounting policies

(Continued)

##### **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.

##### **1.15 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.

##### **1.16 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.

##### **1.17 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.

##### **1.18 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 5 to the accounts.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 1 Accounting policies

(Continued)

##### 1.19 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.

##### 1.20 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.

#### 3 Turnover and other revenue

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

	2023 £	2022 £
<b>Turnover analysed by class of business</b>		
Grain trading, storage and related activities	258,532,204	215,363,805
	<u>258,532,204</u>	<u>215,363,805</u>
	2023 £	2022 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	250,039,862	207,896,907
Other European countries	8,492,342	7,466,898
	<u>258,532,204</u>	<u>215,363,805</u>
	2023 £	2022 £
<b>Other revenue</b>		
Interest income	6,831	75
Grants received	40,808	40,808
	<u>47,639</u>	<u>40,883</u>

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 4 Cost of sales

A member of the group was involved in a dispute with a supplier during the year ended 30 June 2022. This dispute resulted in the company entering into a confidential settlement agreement and receiving a financial settlement as part of this agreement. The amount received is material to the financial statements but is unable to be separately disclosed due to the nature of the agreement. The relevant amount is included within the comparative figure for cost of sales in the revenue account on page 14.

#### 5 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(40,808)	(40,808)
Depreciation of owned tangible fixed assets	1,436,628	1,896,369
Loss/(profit) on disposal of tangible fixed assets	76,899	(77,293)
Operating lease charges	165,280	136,354
	<u>          </u>	<u>          </u>

#### 6 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	19,839	17,051
Audit of the financial statements of the company's subsidiaries	59,356	46,883
	<u>79,195</u>	<u>63,934</u>
<b>For other services</b>		
Other assurance services	11,290	-
Taxation compliance services	5,595	4,690
All other non-audit services	27,563	18,667
	<u>44,448</u>	<u>23,357</u>

During the year the auditor received £24,158 (2022 £18,677) for the supply of IT services which is included within other non-audit services. The auditor also received £10,803 (2022 £7,810) which related to recharged equipment at cost.



# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 7 Employees

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

	2023 Number	2022 Number
Directors	9	10
Operational	60	64
Administration	5	5
	<u>74</u>	<u>79</u>

The aggregate remuneration of employees, excluding directors, comprised:

	2023 £	2022 £
Wages and salaries	2,450,220	2,103,766
Social security costs	244,208	215,166
Pension costs	275,706	247,872
	<u>2,970,134</u>	<u>2,566,804</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 £275,706 (2022: £247,872). There are no amounts due at the year end.

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

### 8 Directors' remuneration

	2023 £	Restated 2022 £
Remuneration for qualifying services	1,069,156	959,088
Amounts receivable under long term incentive schemes	444,015	448,094
Company pension contributions to defined contribution schemes	68,251	44,764
	<u>1,581,422</u>	<u>1,451,946</u>

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

	2023 £	2022 £
Remuneration for qualifying services	533,382	420,415
Company pension contributions to defined contribution schemes	32,138	18,386

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 8 Directors' remuneration

(Continued)

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. 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.

### 9 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	2,331	75
Other interest income	4,500	-
	<u>6,831</u>	<u>75</u>

	2023 £	2022 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	2,331	75
	<u>2,331</u>	<u>75</u>

### 10 Interest payable and similar expenses

	2023 £	2022 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	1,138,943	461,645
	<u>1,138,943</u>	<u>461,645</u>

### 11 Amounts written off investments

	2023 £	2022 £
<b>Fair value gains/(losses) on financial instruments</b>		
Gain on financial assets held at fair value through profit or loss	1,982,389	2,697,514
<b>Other gains/(losses)</b>		
Amounts written back to financial liabilities	-	367,294
	<u>1,982,389</u>	<u>3,064,808</u>

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 12 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	916,478	1,393,842
Adjustments in respect of prior periods	(216)	-
Total current tax	916,262	1,393,842
<b>Deferred tax</b>		
Origination and reversal of timing differences	518,229	(188,080)
Total tax charge	1,434,491	1,205,762

The actual charge 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:

	2023 £	2022 £
Profit before taxation	5,252,782	6,173,644
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	1,313,196	1,172,992
Tax effect of expenses that are not deductible in determining taxable profit	130,933	20,378
Tax effect of income not taxable in determining taxable profit	(61,734)	71,562
Adjustments in respect of prior years	(216)	-
Group relief	(11,454)	(72,592)
Permanent capital allowances in excess of depreciation	85,271	46,112
Utilisation of tax losses	(12,504)	2,486
Settlement of provisions for previous years	(331,558)	152,903
Deferred tax	518,230	(188,079)
Deferred tax movement relating to a change of rate	(195,673)	-
Taxation charge	1,434,491	1,205,762

### 13 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 July 2022 and 30 June 2023	(698,631)
<b>Amortisation and impairment</b>	
At 1 July 2022 and 30 June 2023	(698,631)

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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<b>13</b>	<b>Intangible fixed assets</b>	<b>(Continued)</b>
	<b>Carrying amount</b>	
	At 30 June 2023	-
		==
	At 30 June 2022	-
		==

The company had no intangible fixed assets at 30 June 2023 or 30 June 2022.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 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 2022	11,751,683	-	11,303,597	6,764	430,591	1,557,804	25,050,439
Additions	12,000	49,664	322,541	-	-	244,292	628,497
Disposals	(98,211)	-	(1,079,196)	-	(99,938)	(355,749)	(1,633,094)
At 30 June 2023	11,665,472	49,664	10,546,942	6,764	330,653	1,446,347	24,045,842
<b>Depreciation and impairment</b>							
At 1 July 2022	6,237,109	-	6,580,891	6,764	402,343	1,134,947	14,362,054
Depreciation charged in the year	388,125	-	806,168	-	20,705	221,630	1,436,628
Eliminated in respect of disposals	(15,534)	-	(638,705)	-	(99,938)	(338,121)	(1,092,298)
At 30 June 2023	6,609,700	-	6,748,354	6,764	323,110	1,018,456	14,706,384
<b>Carrying amount</b>							
At 30 June 2023	5,055,772	49,664	3,798,588	-	7,543	427,891	9,339,458
At 30 June 2022	5,514,574	-	4,722,706	-	28,248	422,857	10,688,385

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

Company	Land, silos & buildings	Plant and machinery	Office & laboratory equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2022	5,256,804	4,629,673	195,366	10,081,843
Additions	-	235,943	-	235,943
Disposals	(2,357)	(191,445)	(98,009)	(291,811)
At 30 June 2023	5,254,447	4,674,171	97,357	10,025,975
<b>Depreciation and impairment</b>				
At 1 July 2022	4,125,753	2,548,478	185,547	6,859,778
Depreciation charged in the year	108,677	183,883	6,476	299,036
Eliminated in respect of disposals	(2,357)	(108,198)	(98,009)	(208,564)
At 30 June 2023	4,232,073	2,624,163	94,014	6,950,250
<b>Carrying amount</b>				
At 30 June 2023	1,022,374	2,050,008	3,343	3,075,725
At 30 June 2022	1,131,051	2,081,195	9,819	3,222,065

#### 15 Investment property

	Group 2023 £	Company 2023 £
<b>Fair value</b>		
At 1 July 2022 and 30 June 2023	779,970	-

Investment property comprises the Piercebridge shop, quarry and houses. The fair value of the investment property is based on the directors' knowledge and understanding of the local market and comparable properties. The fair value is considered to be equal to the cost of purchasing the properties in 2017. The directors' consider the fair value to be reflective of the market value at the year end.

#### 16 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	17	1	1	1,750,001	1,750,001
Investments in joint ventures	18	1	1	1	1
Unlisted investments		1	1	-	-
		3	3	1,750,002	1,750,002

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 16 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

Group	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
<b>Cost or valuation</b>			
At 1 July 2022 and 30 June 2023	2	1	3
<b>Carrying amount</b>			
At 30 June 2023	2	1	3
At 30 June 2022	2	1	3

#### Movements in fixed asset investments

Company	Shares in group undertakings and participating interests £
<b>Cost or valuation</b>	
At 1 July 2022 and 30 June 2023	1,750,002
<b>Carrying amount</b>	
At 30 June 2023	1,750,002
At 30 June 2022	1,750,002

### 17 Subsidiaries

Details of subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Address	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
Pelletco Limited	1	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

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

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 17 Subsidiaries

(Continued)

Forestco Limited - Company No. 11678549 and Pelletco Limited - Company No. 09752368 are exempt from the requirement to have an audit of their accounts for the period ended 30 June 2023 under section 479A of the Companies Act 2006.

### 18 Joint ventures

Details of joint ventures at 30 June 2023 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	-

### 19 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	13,527,834	7,436,854	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	11,545,444	5,117,206	-	-

### 20 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Grains and oilseeds	20,567,444	19,884,966	-	-
Spare parts held for the repair of plant and equipment	90,930	61,532	40,680	61,532
	20,658,374	19,946,498	40,680	61,532



# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 21 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	27,003,037	22,992,683	7,910	8,334
Amounts owed by group undertakings	514,836	90,577	1,341,229	96,187
Derivative financial instruments	13,527,834	7,436,854	-	-
Other debtors	715,105	806,237	16,717	24,332
Prepayments and accrued income	8,294,997	11,081,416	55,192	33,772
	50,055,809	42,407,767	1,421,048	162,625
Deferred tax asset (note 25)	-	161,219	-	-
	50,055,809	42,568,986	1,421,048	162,625
<b>Amounts falling due after more than one year:</b>				
Deferred tax asset (note 25)	-	331,558	-	-
<b>Total debtors</b>	<b>50,055,809</b>	<b>42,900,544</b>	<b>1,421,048</b>	<b>162,625</b>

### 22 Creditors: amounts falling due within one year

		Group 2023	2022	Company 2023	2022
	Notes	£	£	£	£
Bank loans and overdrafts	24	19,250,000	27,362,695	-	-
Other borrowings	24	10,016	10,000	-	-
Trade creditors		14,122,204	11,265,801	53,776	558,140
Amounts due to group undertakings		-	-	1,489	-
Corporation tax payable		916,478	1,393,842	26,074	18,533
Other taxation and social security		97,190	84,433	-	-
Derivative financial instruments		11,545,444	5,117,206	-	-
Other creditors		36,883	35,683	36,882	35,683
Accruals and deferred income		5,559,942	4,069,223	553,351	124,250
		51,538,157	49,338,883	671,572	736,606

Details of security are included in note 23 and 24.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 23 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	24	19,910	29,167	-	-

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.

#### 24 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	19,910	91,667	-	-
Bank overdrafts	19,250,000	27,300,195	-	-
Other loans	10,016	10,000	-	-
	<u>19,279,926</u>	<u>27,401,862</u>	<u>-</u>	<u>-</u>
Payable within one year	19,260,016	27,372,695	-	-
Payable after one year	19,910	29,167	-	-

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2023

#### 24 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.

#### 25 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 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
<b>Group</b>				
ACAs	124,349	127,562	-	-
Other timing differences	28,666	-	-	492,777
	<u>153,015</u>	<u>127,562</u>	<u>-</u>	<u>492,777</u>

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
<b>Movements in the year:</b>		
Asset at 1 July 2022	(365,215)	-
Charge to profit or loss	518,230	-
Liability at 30 June 2023	<u>153,015</u>	<u>-</u>

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 25 Deferred taxation

(Continued)

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.

### 26 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	343,957	292,636

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.

### 27 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Shares of £1 each	117	114	117	114

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

During the year, 3 ordinary shares were issued at par and none were redeemed.

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 28 Other reserves

		Members' loans £
<b>Group</b>		
At 1 July 2021		1,796,663
Other movements		(5,953)
		<hr/>
At 30 June 2022		1,790,710
Other movements		17,050
		<hr/>
At 30 June 2023		1,807,760
		<hr/>
<b>Company</b>		
At 1 July 2021		1,796,663
Other movements		(5,953)
		<hr/>
At 30 June 2022		1,790,710
Other movements		17,050
		<hr/>
At 30 June 2023		1,807,760
		<hr/>

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 29 Transactions with directors

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Sales	368,373	507,945	153,612	142,758

At the year end the directors owed to the group the sum of £23,977 (2022: £201,748) in respect of these sales.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Purchases	7,978,071	3,976,321	1,786	91,906

At 30 June 2023 £209,474 (2022: £248,521) was owed to the directors.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Pool advances	454,356	282,196	-	-

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 2023 the balance of the pool advances due from directors was £Nil (2022: £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 (2022: £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 2023

#### 30 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.

#### 31 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 2023 £	2022 £	Company 2023 £	2022 £
Within one year	104,380	104,380	75,000	75,000
Between two and five years	330,000	315,000	330,000	315,000
In over five years	1,080,000	1,170,000	1,080,000	1,170,000
	<u>1,514,380</u>	<u>1,589,380</u>	<u>1,485,000</u>	<u>1,560,000</u>

#### 32 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>1,064,505</u>	<u>980,452</u>

#### 33 Related party relationships and transactions

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Purchases</b>				
Tynegrain Agriculture Limited	484,326	359,104	390,262	305,157
Meldon Village Storage and Drying Limited	-	-	40,378	26,951
Grainco Limited	-	-	832,213	732,704
Pellet Co Limited	-	-	10,175	-
	<u>484,326</u>	<u>359,104</u>	<u>1,273,028</u>	<u>1,064,812</u>

# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 33 Related party relationships and transactions

(Continued)

	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Sales</b>				
Tynegrain Agriculture Limited	742,223	589,403	2,400	2,215
Meldon Village Storage and Drying Limited	-	-	29,061	9,354
Grainco Limited	-	-	2,486,481	1,792,876
Pellet Co Limited	-	-	7,850	38,931
	<u>742,223</u>	<u>589,403</u>	<u>2,525,792</u>	<u>1,843,376</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.

### 34 Controlling party

There is no ultimate controlling party as the shares of the company are held by 117 individuals, each holding one share.

### 35 Cash generated from/(absorbed by) group operations

	2023 £	2022 £
Profit for the year after tax	3,818,291	4,967,882
<b>Adjustments for:</b>		
Taxation charged	1,434,491	1,205,762
Finance costs	1,138,943	461,645
Investment income	(6,831)	(75)
Loss/(gain) on disposal of tangible fixed assets	76,899	(77,293)
Depreciation and impairment of tangible fixed assets	1,436,628	1,896,369
Other gains and losses	(1,982,389)	(3,064,808)
Decrease in deferred income	(82,729)	(102,538)
<b>Movements in working capital:</b>		
Increase in stocks	(711,876)	(8,355,594)
Increase in debtors	(1,557,060)	(9,990,902)
Increase in creditors	4,361,079	2,467,186
<b>Cash generated from/(absorbed by) operations</b>	<u>7,925,446</u>	<u>(10,592,366)</u>



# TYNEGRAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 36 Cash (absorbed by)/generated from operations - company

	2023 £	2022 £
Profit for the year after tax	325,158	202,367
<b>Adjustments for:</b>		
Taxation charged	26,074	18,533
Investment income	(501,902)	(500,075)
Depreciation and impairment of tangible fixed assets	299,036	295,902
Decrease in deferred income	(40,807)	(40,810)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	20,853	(36,284)
Increase in debtors	(1,258,424)	(31,075)
(Decrease)/increase in creditors	(72,575)	495,332
<b>Cash (absorbed by)/generated from operations</b>	<b>(1,202,587)</b>	<b>403,890</b>

### 37 Analysis of changes in net debt - group

	1 July 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	6,023,885	(550,129)	5,473,756
Bank overdrafts	(27,300,195)	8,050,195	(19,250,000)
	(21,276,310)	7,500,066	(13,776,244)
Borrowings excluding overdrafts	(101,667)	71,741	(29,926)
	(21,377,977)	7,571,807	(13,806,170)

### 38 Analysis of changes in net funds - company

	1 July 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	2,679,521	(854,861)	1,824,660