

Hall Silos Limited

Directors' Report and Financial Statements

Year ended 31 July 2016

Registered Number: NI 025675

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DIRECTORS AND OTHER INFORMATION

Board of Directors

I. Hurley
T. O'Mahony

Secretary

Origin Secretarial Limited

Registered Office

4a Campsie Real Estate
McLean Road
Londonderry
BT47 3PF

Registered number: NI 025675

Statutory Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

STRATEGIC REPORT

Principal activity, business review and future developments

The principal activity of the company is that of grain handling and storage at its facilities based in Belfast.

The directors are satisfied with the performance of the company and expect that the company will continue to maintain current profitability levels.

Principal risks and uncertainties

The Board and senior management have invested significant time and resources in identifying specific risks in the company and in developing a culture of balanced risk minimisation. To facilitate this, the company has formal risk assessment processes in place through which risks and mitigating controls are thoroughly evaluated.

The risks identified fall broadly into two categories: strategic/commercial and operational.

Strategic and commercial

The most significant strategic and commercial risks facing the company are:

- unforeseen changes in customer demand patterns,
- changes in government legislation regarding the composition of agricultural products, and
- the impact of competitor activity.

The company addresses these by focusing on research and development and product innovation to ensure that customer and consumer requirements are being anticipated and met on a continuing basis. The company also closely monitors emerging changes to regulations or legislation on an ongoing basis. The attainment of the highest level of product quality and customer service are also core to reducing the impact of these risks.

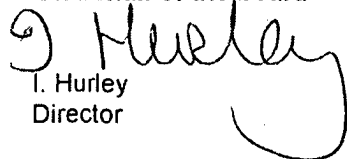
Operational

Operational risks facing the company are:

- the risk of failure to address increasing compliance requirements particularly in the areas of health and safety, emissions and effluent control, and
- the loss of a significant operational site through natural catastrophe or act of vandalism.

These types of risks are mitigated through the establishment of thorough hygiene and health and safety systems, environmental/discharge controls, auditing of supplier facilities and ensuring product traceability. The company also places a strong emphasis on ensuring that site security measures are robust. In addition, the Board is satisfied that significant management attention is given to the development of comprehensive disaster recovery plans.

On behalf of the board


I. Hurley
Director

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 July 2016.

Results for the year

The Statement of Income and Retained Earnings and the Balance Sheet are set out on pages 9 and 10 respectively. The profit on ordinary activities for the year before taxation amounted to Stg£322,765 (2015: Stg£792,061). Shareholder funds as at 31 July 2016 amounted to Stg£2,211,212 (2015: Stg£1,897,778).

Directors and secretary

The directors and secretary who served during the year and subsequent to year end were as follows:

Directors

I. Hurley
T. O' Mahony

Secretary

Origin Secretarial Limited

In accordance with the Articles of Association, the directors are not required to retire by rotation.

Political Donations

The company did not make any political donations for the year.

Post balance sheet events

There have been no significant events since the year end which would require disclosure in the financial statements.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT - continued

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

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

Auditor

The auditors, PricewaterhouseCoopers, who were appointed during the year have indicated their willingness to continue in office in accordance with section 487 of the Companies Act 2006.

On behalf of the board


I. Hurley
Director

Date: 19 December 2016



Independent auditors' report to the members of Hall Silos Limited

Report on the financial statements

Our opinion

In our opinion, Hall Silos Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements comprise:

- the balance sheet as at 31 July 2016;
- the statement of income and retained earnings for the year then ended;
- the statement of comprehensive income for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

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



Independent auditors' report to the members of Hall Silos Limited - continued

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.



Independent auditors' report to the members of Hall Silos Limited - continued

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

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

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in dark ink, appearing to read 'John Dillon', written over the printed name.

John Dillon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Date: 27/12/16

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 31 July 2016

	Notes	2016 £	2015 £
Turnover	4	2,088,509	2,255,241
Cost of sales		<u>(1,722,679)</u>	<u>(1,442,025)</u>
Gross profit		365,830	813,216
Administrative expenses		<u>(68,271)</u>	<u>(65,757)</u>
Operating profit		297,559	747,459
Income from unlisted financial investment		12,500	12,500
Interest receivable and similar income		<u>12,706</u>	<u>32,102</u>
Profit on ordinary activities before taxation	5	322,765	792,061
Taxation on profit on ordinary activities	7	<u>(9,331)</u>	<u>(12,619)</u>
Profit for the financial year		<u>313,434</u>	<u>779,442</u>
Retained profits at 1 August		<u>1,897,778</u>	<u>1,118,336</u>
Retained profits at 31 July		<u>2,211,212</u>	<u>1,897,778</u>

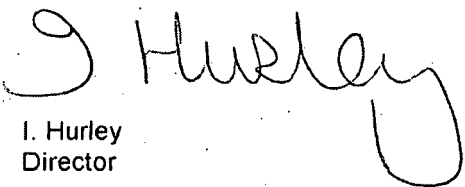
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 July 2016

There are no recognised gains or losses for the current or prior financial period other than the profit transferred to reserves. Accordingly, no statement of comprehensive income is presented.

BALANCE SHEET
At 31 July 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	8	1,064,065	1,170,541
Investments	9	104,486	104,486
		<u>1,168,551</u>	<u>1,275,027</u>
Current assets			
Debtors	10	4,793,034	4,608,407
Cash at bank and in hand		226,525	50,988
		<u>5,019,559</u>	<u>4,659,395</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(3,983,585)	(4,037,212)
Net current assets		<u>1,035,974</u>	<u>622,183</u>
Total assets less current liabilities		<u>2,204,525</u>	<u>1,897,210</u>
Provision for liabilities) and income/(charges)	12	6,689	570
Net assets		<u>2,211,214</u>	<u>1,897,780</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		2,211,212	1,897,778
Shareholders' funds		<u>2,211,214</u>	<u>1,897,780</u>

The financial statements on pages 9 to 19 were approved by the board of directors on 11 December 2016 and were signed on its behalf by:


I. Hurley
Director

Halls Silos Limited
Registered number NI025675

NOTES TO THE FINANCIAL STATEMENTS – continued

1 General information

The principal activity of the company is that of grain handling and storage at its facilities based in Belfast.

2 Statement of compliance

The individual financial statements of Hall Silos Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. There were no comparative figures that required changing as a result of the current year adoption of FRS102.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historic cost convention.

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss, and the measurement of freehold land and buildings at their deemed cost on transition to FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies.

The company is a wholly owned subsidiary of Origin Enterprises UK Limited and of its ultimate parent, Origin Enterprises plc. It is included in the consolidated financial statements of Origin Enterprises plc which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

Foreign currency

The financial statements are presented in sterling (Stg£), the functional currency of the company. Transactions during the year denominated in foreign currencies have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. There were no foreign currency gains or losses in the current or prior year.

Taxation

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS – continued

3 Summary of significant accounting policies - continued

Taxation - continued

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Investments in subsidiary company

Investments in associates are held at historical cost less accumulated impairment losses.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost for land and buildings held at valuations at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Depreciation is calculated on a straight line basis over the estimated useful working lives of the relevant tangible assets as follows:

Buildings	45 years
Plant and machinery	10 years

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significant different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Turnover

Turnover is the amount of revenue derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value-added tax. Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes but before deduction of settlement discounts.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

NOTES TO THE FINANCIAL STATEMENTS – continued

3 Summary of significant accounting policies - continued

Turnover - continued

The company mainly generates revenue from the storage and handling of grain. The company appointed its associated undertaking, West Twin Silos Limited, to act as undisclosed agent for the company in selling its products and services to third parties. West Twin Silos Limited has provided certain invoicing and related services to the company.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Cash and cash equivalents

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

Provisions and contingencies

(i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- i. restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- ii. provision is not made for future operating losses

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

NOTES TO THE FINANCIAL STATEMENTS – continued

3 Summary of significant accounting policies - continued

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, intercompany receivables and cash and bank balances are initially recognised at transaction price, 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.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 interest rate. The impairment loss is recognised in profit or loss.

If there is 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.

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 measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, intercompany payables, bank loans and loans from fellow group companies, 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 receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

NOTES TO THE FINANCIAL STATEMENTS – continued

3 Summary of significant accounting policies - continued

Financial instruments - continued

(iii) Derivatives

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 income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iv) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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 to liability simultaneously.

Share capital

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

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Transition to FRS 102

Exemptions for qualifying entities under FRS 102

The company has elected to avail of a number of disclosure requirement exemptions available to qualifying entities as set out under FRS 102 paragraph 1.12(c) on the following basis;

- The company meets the definition of a 'Qualifying Entity' under FRS 102.
- Its ultimate parent company, Origin Enterprises plc, prepares group consolidated financial statements that include disclosures equivalent to those required by FRS 102. Note 15 gives further details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.
- The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions availed of by the company in these financial statements.
- The company otherwise applies the recognition, measurement and disclosure requirements of FRS 102.

In accordance with FRS 102 the company has availed of the following disclosure exemptions:

- The requirement of FRS 102 paragraph 4.12(a)(iv) to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period;
- The requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows;
- The financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102 providing the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated; and
- The requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

NOTES TO THE FINANCIAL STATEMENTS – continued

4 Turnover

Turnover represents amounts invoiced by the company in respect of goods, services and commissions, excluding value added tax. All the turnover related to sales in the UK market.

The company appointed its associated undertaking, West Twin Silos Limited, to act as undisclosed agent for the company in selling its products and services to third parties. West Twin Silos Limited has provided certain invoicing and related services to the company.

5 Profit on ordinary activities before taxation	2016	2015
	£	£

(a) The profit on ordinary activities before taxation is stated after charging:

Depreciation	<u>117,476</u>	<u>117,394</u>
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(b) Auditors' remuneration

The auditors' remuneration was borne by a fellow group company.

(c) Directors' remuneration

Directors do not receive any remuneration in relation to the services they provide to this company.

6 Staff costs

All employee costs, together with future pension liabilities were borne by a related undertaking.

7 Tax on profit on ordinary activities	2016	2015
	£	£

(a) Tax on profit on ordinary activities

Current tax:		
Corporation tax on profit for the year	<u>15,450</u>	<u>18,288</u>

Deferred tax:		
Reversal of timing differences	(6,176)	(5,669)
Adjustment in respect of previous years	<u>57</u>	<u>-</u>
Deferred tax credit	<u>(6,119)</u>	<u>(5,669)</u>

Tax on profit on ordinary activities	<u>9,331</u>	<u>12,619</u>
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NOTES TO THE FINANCIAL STATEMENTS – continued

7 Tax on profit on ordinary activities - continued

(b) The tax assessed for the period is different from the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>322,765</u>	<u>792,061</u>
Profit on ordinary activities before tax multiplied by the standard rate of tax at 20% (2015: 20.67%)	64,553	163,685
<i>Effects of:</i>		
Expenses not deductible for tax purposes	15,450	18,288
Depreciation for period in excess of capital allowances	9,072	9,374
Group relief claimed	(77,987)	(176,334)
Deferred tax rate change	743	189
Non-taxable income	<u>(2,500)</u>	<u>(2,583)</u>
	<u>9,331</u>	<u>12,619</u>

8. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 August 2015	2,061,851	2,992,110	5,053,961
Additions	-	11,000	11,000
At 31 July 2016	<u>2,061,851</u>	<u>3,003,110</u>	<u>5,064,961</u>
Depreciation			
At 1 August 2015	1,205,618	2,677,802	3,883,420
Charged in year	45,361	72,115	117,476
At 31 July 2016	<u>1,250,979</u>	<u>2,749,917</u>	<u>4,000,896</u>
Net book amounts			
At 31 July 2016	<u>810,872</u>	<u>253,193</u>	<u>1,064,065</u>
At 31 July 2015	<u>856,233</u>	<u>314,308</u>	<u>1,170,541</u>

NOTES TO THE FINANCIAL STATEMENTS – continued

9 Financial fixed assets	2016	2015
	£	£

Investment in associated undertakings

Cost at beginning and end of year	<u>104,486</u>	<u>104,486</u>
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Name	Nature business	Group % share	Registered office
West Twin Silos Limited	Silos operations	50%	Clarendon House 23 Clarendon Road Belfast BT1 3BG
McCorkell Holdings Limited	Shipping agents and warehousing	12.5%	Administration Building Lisabally Terminal Londonderry BT47 1FL

West Twin Silos Limited had a profit of £4,540 for the financial year ended 31 July 2016 and capital and reserves of £31,120 at 31 July 2016.

McCorkell Holdings Limited had a loss of £64,014 for the financial year ended 31 December 2015 and capital and reserves of £1,430,981 at 31 December 2015.

10 Debtors	2016	2015
	£	£
<i>Amounts falling due within one year:</i>		
Value added tax receivable	39,966	-
Amounts owed by related parties	<u>4,753,068</u>	<u>4,608,407</u>
	<u>4,793,034</u>	<u>4,608,407</u>

11 Creditors:	2016	2015
	£	£
<i>Amounts falling due within one year:</i>		
Value added tax payable	-	63,794
Trade creditors	31,501	38,444
Amounts due to group undertakings	3,267,971	2,660,472
Amounts due to related parties	485,569	1,100,553
Accruals and other creditors	<u>198,544</u>	<u>173,949</u>
	<u>3,983,585</u>	<u>4,037,212</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS – continued

12 Provision for liabilities and charges	2016 £	2015 £
Deferred taxation:		
Opening balance	570	(5,099)
Charged during the year (note 7)	6,176	5,669
Adjustment in respect of previous years	(57)	-
Closing balance	<u>6,689</u>	<u>570</u>
The deferred taxation provision consists of the following amounts:		
Tax effect of timing differences due to accelerated capital allowances	<u>6,689</u>	<u>570</u>

13 Share capital	2016 £	2015 £
<i>Authorised</i>		
100,000 ordinary shares of Stg£1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of Stg£1 each	<u>2</u>	<u>2</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

14 Contingent liabilities

The company is a participant in a banking arrangement along with other group and associated companies. The company has issued a cross company guarantee and indemnity in favour of Bank of Ireland pursuant to which each company that is a member of this banking arrangement guarantees, on a joint and several basis, the payment and performance by each other Company of its obligations to the bank.

15 Related and controlling parties

The company is a wholly owned subsidiary undertaking of Origin Enterprises UK Limited, a company incorporated in the United Kingdom. The smallest and largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Origin Enterprises plc. Copies of Origin Enterprises plc group financial statements may be obtained from 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland.

16 Related party transactions

The company has taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing intra-group transactions as it is a wholly-owned subsidiary of its parent undertaking Origin Enterprises plc, whose financial statements are publicly available.

17 Approval of the Financial Statements

The financial statements were approved by the board of directors on 19 December 2016