

Andrews Flour Mills Limited

Report and Financial Statements

30 September 2017



Directors

M A Moreland
J McGurk

Secretary

C Harkin

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Bank of Ireland
1 Donegall Square South
Belfast BT1 5LR

Solicitors

Carson McDowell
Murray House
Murray Street
Belfast BT1 6HS

Registered Office

Belfast Mills
71-75 Percy Street
Belfast BT13 2HW

Strategic report

The directors present their strategic report and the financial statements for the year ended 30 September 2017.

Principal activity and review of the business

The principal activity of the company during the year was the milling of flour. The profit after tax for the year amounted to £227,403 (2016: £2,957,733 profit).

Key performance indicators

The directors have determined that the following financial key performance indicator (KPI) is the most effective measures of progress towards achieving the company's objectives.

	2017	9 months ended 30 September 2016
	£	£
Operating Profit	315,991	562,537

Principal risks and uncertainties

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

Business performance risk

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which it operates. This risk is managed through a number of measures: authorisation of forward purchases of raw material requirement; ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls; key performance indicators; and regular forecasting.

Business continuity risk

Although the company operates out of one production facility the company takes all relevant steps which help it to minimise the business continuity risk. The company ensures that there is sufficient IT support available should an unforeseen event occur. Management are continually implementing and reviewing business continuity and IT disaster recovery plans to ensure any increase in risk arising from future activities is managed.

Health and safety risk

The company is committed to ensuring a safe working environment. These risks are managed by the company through the strong promotion of a health and safety culture and well defined health and safety policies.

Management development

Senior management is committed to ensuring the long-term growth of the business and aims to achieve this by ensuring it retains and attracts high quality personnel.

Strategic report

Principal risks and uncertainties (continued)

Financial and business control

Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and for longer term planning. The company exercises financial and business control through a combination of: qualified and experienced financial personnel; performance analysis; budgeting and cash flow forecasting; and clearly defined approval limits.

Social, ethical and environmental risk

Due to the company's nature and size no significant social, ethical or environmental risks have been identified by management.

Financial risk management policy

The company's principal financial instruments comprise cash, trade debtors and creditors, group indebtedness and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below.

Foreign currency risk

The company's exposure to foreign currency risk comprises both revenues received from customers and expenditure to suppliers; both revenues and expenditures can be denominated in Euro while a US Dollar exposure exists in respect of supplier expenditure. The company has a policy of matching Euro amounts and in the event of any material unmatched Euro exposure and in the case of US Dollar exposure, the company manages the risk by considering entering into a foreign currency contract.

Credit risk

Credit risk arises principally on 3rd party derived revenues. Company policy is aimed at minimising such risk through the application of satisfactory creditworthiness procedures and monitoring the levels of credit to individual customers within their approved credit limits, so as to ensure the company's exposure to bad debts is minimised.

Liquidity risk

The company's liquidity risk is managed by the group's senior finance management through daily assessment of required cash levels and resultant utilisation of various available bank facilities. The directors believe that the bank facilities in place are more than adequate for the future needs of the company and that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the Board



C Harkin
Secretary

Date: 16 MARCH 2018

Registered No. NI632205

Directors' report

The directors present their report and financial statements for the year ended 30 September 2017.

Results and dividends

The profit after tax for the year amounted to £227,403 (2016: £2,957,733). The directors do not recommend a final dividend (2016: £165,246).

Directors

The directors who served the company during the period were as follows:

M A Moreland

J McGurk

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s485 of the Companies Act 2006 a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

By order of the Board



C. Harkin
Secretary

Date: 16 MARCH 2018

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 period. 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 Republic of Ireland* ('FRS 102'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

Independent auditors' report

To the members of Andrews Flour Mills Limited

Opinion

We have audited the financial statements of Andrews Flour Mills Limited for the year ended 30 September 2017 which comprise the Profit and Loss Account, the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, 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 company's affairs as at 30 September 2017 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.

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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Independent auditors' report

To the members of Andrews Flour Mills Limited

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of Andrews Flour Mills Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 22 March 2018

Profit & Loss Account

For the year ended 30 September 2017

		2017	9 months ended 30 September 2016
	Notes	£	£
Turnover	2	15,948,354	12,968,967
Cost of sales		(14,699,488)	(11,652,328)
Gross Profit		1,248,866	1,316,639
Distribution costs		(368,731)	(262,892)
Administration expenses		(564,144)	(491,210)
Operating Profit	3	315,991	562,537
Interest receivable and similar income	6	1,500	3,166
Interest payable and similar charges	7	(109,122)	(90,531)
Investment income	8	-	2,601,655
Profit before taxation		208,369	3,076,827
Tax	9	19,034	(119,094)
Profit for the financial period		<u>227,403</u>	<u>2,957,733</u>

All amounts relate to continuing activities.

Statement of total comprehensive income

For the year ended 30 September 2017

There is no comprehensive income other than the profit attributable to the shareholders of the company of £227,403 in the year ended 30 September 2017.

Statement of Changes in Equity

For the year ended 30 September 2017

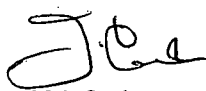
	<i>Called up share capital</i>	<i>Retained Earnings</i>	<i>Total Equity</i>
	£	£	£
At incorporation 30 June 2015	-	-	-
Issued during the period	1,025	-	1,025
Profit for the period	-	2,957,733	2,957,733
Equity dividend paid	-	(165,246)	(165,246)
At 30 September 2016	1,025	2,792,487	2,793,512
Profit for the year	-	227,403	227,403
At 30 September 2017	1,025	3,019,890	3,020,915

Balance sheet

As at 30 September 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	10	1,036,961	1,372,579
		<u>1,036,961</u>	<u>1,372,579</u>
Current assets			
Stocks	11	1,679,276	1,245,168
Debtors	12	5,784,581	4,780,280
Cash at bank		1,634,681	1,635,026
		<u>9,098,538</u>	<u>7,660,474</u>
Creditors: amounts falling due within one year	13	<u>(7,081,547)</u>	<u>(6,068,565)</u>
Net current assets		<u>2,016,991</u>	<u>1,591,909</u>
Total assets less current liabilities		<u>3,053,952</u>	<u>2,964,488</u>
Creditors: amounts falling due after more than one year	14	-	(105,357)
Provisions for liabilities	15	<u>(33,037)</u>	<u>(65,619)</u>
Net Assets		<u><u>3,020,915</u></u>	<u><u>2,793,512</u></u>
Capital and reserves			
Called up share capital	16	1,025	1,025
Profit and loss account		<u>3,019,890</u>	<u>2,792,487</u>
		<u><u>3,020,915</u></u>	<u><u>2,793,512</u></u>

By order of the Board



J McGurk
Director

Date: 16 MARCH 2018

Registered Number: NI632205

Notes to the financial statements

At 30 September 2017

1. Accounting policies

Statement of compliance

Andrews Flour Mills Limited was incorporated on 30 June 2015 and is a limited liability company incorporated in Northern Ireland. The registered office is Belfast Mills, 71-75 Percy Street, Belfast, BT13 2HW.

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102- The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £.

Statement of cash flows

The directors have taken advantage of the exemption in FRS 102 from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. No judgements were identified that would have a material impact on the company's financial statements.

The following are the company's key sources of estimation uncertainty:

Taxation

The tax expense for the period comprises current and deferred tax.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the rates and laws that have been enacted or substantively enacted by the reporting date.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Significant accounting policies

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and equipment	–	10 years
Motor vehicles	–	5 to 10 years
Furniture fittings and equipment	–	5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

At 30 September 2017

1. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. 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.

Stocks

Stocks are valued at the lower of cost on a first in first out basis and net realisable value, after making due allowance for any obsolete or slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses

Notes to the financial statements

At 30 September 2017

1. Accounting policies (continued)

Basic financial instruments (continued)

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

2. Turnover

An analysis of turnover between different classes of business and the geographical analysis have been omitted because, in the opinion of the directors, the disclosure of such information would be seriously prejudicial to the interests of the company.

3. Operating Profit

This is stated after charging/(crediting):

		<i>9 months ended 30 September</i>
	2017	2016
	£	£
Auditors' remuneration – audit services	11,790	11,766
Depreciation of owned fixed assets	331,801	244,918
Depreciation of assets held under finance leases	26,700	35,600
Operating lease rentals – plant and machinery	6,745	7,280
– motor vehicles	28,306	26,342
– land & buildings	210,804	210,804

Notes to the financial statements

At 30 September 2017

4. Directors' remuneration

	2017	9 months ended 30 September 2016
	£	£
Remuneration	113,832	85,374
Company contributions to money purchase schemes	-	-
	No.	No.
Number of directors accruing benefits under money purchase pension schemes	-	-

5. Staff costs

	2017	9 months ended 30 September 2016
	£	£
Wages and salaries	1,405,886	1,028,589
Social security costs	137,907	103,156
Other pension costs	63,615	37,696
	1,607,408	1,169,441

The average monthly number of employees during the period was made up as follows:

	No.	No.
Operations	25	31
Administration	10	5
	35	36

Notes to the financial statements

At 30 September 2017

6. Interest receivable and similar income

	<i>9 months ended 30 September</i>	
	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
Bank interest receivable	1,500	3,166

7. Interest payable and similar charges

	<i>9 months ended 30 September</i>	
	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
Bank interest payable	107,671	88,300
Finance charges payable under finance lease	1,451	2,231
	<u>109,122</u>	<u>90,531</u>

8. Investment income

	<i>9 months ended 30 September</i>	
	<i>2017</i>	<i>2016</i>
	<i>£</i>	<i>£</i>
Dividend	-	2,601,655
	<u>-</u>	<u>2,601,655</u>

Notes to the financial statements

At 30 September 2017

9. Tax

(a) Tax on charge on ordinary activities

The tax charge is made up as follows:

	2017	9 months ended 30 September 2016
	£	£
Current tax:		
UK Corporation tax	9,227	53,475
Adjustments in respect of previous periods	4,321	-
	<u>13,548</u>	<u>53,475</u>
Deferred tax:		
Capital allowances in advance of depreciation	(26,751)	65,619
Adjustments in respect of previous periods	(5,831)	-
Total deferred tax (note 15)	<u>(32,582)</u>	<u>65,619</u>
Tax on charge on ordinary activities (note 9(b))	<u>(19,034)</u>	<u>119,094</u>

(b) Factors affecting tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2017	9 months ended 30 September 2016
	£	£
Profit on ordinary activities before tax	<u>208,369</u>	<u>3,076,827</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5%	40,632	615,365
Effects of:		
Disallowed expenses and non-taxable income	1,379	(517,697)
Deferred tax on assets acquired	-	55,571
Group relief	(72,695)	(32,372)
Difference in rate for deferred tax	3,933	(1,773)
Adjustment in respect of prior periods	(1,510)	-
Overseas tax payable	9,227	-
Current tax for the period (note 9(a))	<u>(19,034)</u>	<u>119,094</u>

Notes to the financial statements

At 30 September 2017

10. Tangible fixed assets

	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Furniture, fittings and equipment</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 30 September 2016	5,432,389	560,101	94,067	6,086,557
Additions	17,078	-	8,605	25,683
Disposals	-	-	(3,000)	(3,000)
At 30 September 2017	5,449,467	560,101	99,672	6,109,240
Depreciation:				
At 30 September 2016	4,210,765	459,642	43,571	4,713,978
Charge for the period	300,604	44,131	13,766	358,501
Disposals	-	-	(200)	(200)
At 30 September 2017	4,511,369	503,773	57,137	5,072,279
Net book value:				
At 30 September 2017	938,098	56,328	42,535	1,036,961
At 30 September 2016	1,221,624	100,459	50,496	1,372,579

Included in the amounts for motor vehicles above are the following amounts relating to leased assets and assets acquired under hire purchase contracts:

	£
Cost:	
At 30 September 2016 and 30 September 2017	178,000
Depreciation	
At 30 September 2017	(155,750)
Carrying amount:	
At 30 September 2017	22,250

11. Stocks

	2017	2016
	£	£
Raw materials	1,389,752	1,042,038
Finished goods	289,524	203,130
	<u>1,679,276</u>	<u>1,245,168</u>

Notes to the financial statements

At 30 September 2017

12. Debtors

	2017	2016
	£	£
Trade debtors	3,016,238	3,836,073
Amounts owed by parent undertakings	2,446,504	849,367
Other debtors	245,696	43,458
Prepayments and accrued income	76,143	51,382
	<u>5,784,581</u>	<u>4,780,280</u>

13. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank overdraft	3,844,543	3,986,063
Bank loan	83,333	100,000
Obligations under finance leases (note 17)	21,064	22,529
Trade creditors	1,656,046	1,396,948
Other taxes and social security costs	71,175	72,257
Corporation tax	13,548	53,475
Other creditors	71,552	66,911
Amounts owed to group undertakings	887,072	111,000
Accruals and deferred income	433,214	259,382
	<u>7,081,547</u>	<u>6,068,565</u>

The bank loan and overdraft facilities are secured by way of a fixed and floating charge over the assets and undertakings of the company.

14. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loan	-	83,333
Obligations under finance leases (note 17)	-	22,024
	<u>-</u>	<u>105,357</u>

Notes to the financial statements

At 30 September 2017

15. Provisions for liabilities

	2017 £	2016 £
Deferred tax liability	33,037	65,619
	<u>33,037</u>	<u>65,619</u>

	<i>Deferred tax liability</i> £
At 1 October 2016	65,619
Charge for the period to profit and loss account	<u>(32,582)</u>
At 30 September 2017	<u>33,037</u>

The deferred tax liability comprises as follows:

	2017 £	2016 £
Capital allowances in advance of depreciation	33,037	65,619
	<u>33,037</u>	<u>65,619</u>

16. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	2017 £	2016 £
Ordinary shares of £1 each	1,025	<u>1,025</u>	<u>1,025</u>

The shares have equal voting rights. In terms of dividend the Directors can determine the dividends per class of share.

Notes to the financial statements

At 30 September 2017

17. Obligations under finance leases and hire purchase contracts

The company uses finance leases and hire purchase contracts to acquire plant and machinery. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the lessee. Future minimum lease payments due under finance leases and hire purchase contracts:

	2017 £	2016 £
Amounts payable:		
Not later than one year	21,064	22,529
Later than one year and not later than five years	-	22,024
	<u>21,064</u>	<u>44,553</u>

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2017 <i>Land and buildings</i> £	2017 <i>Other</i> £	2017 <i>Motor vehicles</i> £	2016 <i>Land and buildings</i> £	2016 <i>Other</i> £	2016 <i>Motor vehicles</i> £
Amounts payable:						
Not later than one year	210,804	7,321	23,234	210,804	6,553	29,000
Later than one year and not later than five years	685,113	14,764	17,794	843,216	18,934	23,957
	<u>895,917</u>	<u>22,085</u>	<u>41,028</u>	<u>1,054,020</u>	<u>25,487</u>	<u>52,957</u>

18. Related party transactions

The company has taken advantage of the exemption granted by FRS 102 section 33 'Related Party disclosures' to disclose related party transactions with other wholly owned group companies.

Klinsmann Properties Limited, a company of which Messrs M Moreland and J McGurk are directors, charged rent to the company during the period of £210,804 (2016: £158,103). The company and certain other members of the Andrews Limited group have entered into a circular guarantee with Klinsmann Properties Limited with respect to the bank borrowings of each company.

19. Off-balance sheet arrangements

The company enters into operating lease arrangements for the hire of buildings and motor vehicles as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The annual company commitments under these arrangements are disclosed in Note 17. There are no other material off-balance sheet arrangements

20. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Andrews Group Limited, a company incorporated in Northern Ireland. Andrews Flour Mills Limited is owned 100% by Andrews Group Limited. Copies of its group financial statements may be obtained from its registered office, Belfast Mills, 71/75 Percy Street, Belfast BT13 2HW.