



Smailes Goldie
Chartered Accountants

Singleton Birch Limited

Consolidated Financial Statements

31st March 2016

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Singleton Birch Limited (Registered Number: 00009433)

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for the year ended 31st March 2016

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Singleton Birch Limited

Company Information *for the year ended 31st March 2016*

DIRECTORS

S R Counsell
S W Foster
M J Gardiner
M D Haworth
R M Stansfield
E P Tatterton

SECRETARY

E P Tatterton

REGISTERED OFFICE

Melton Ross Quarnes
Barnetby
North Lincolnshire
DN38 6AE

REGISTERED NUMBER

00009433 (England and Wales)

AUDITORS

Smales Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

BANKERS

Handelsbanken
Unit 7, Europa Park
Appian Way
Grimsby
NE Lincolnshire
DN31 2UT

SOLICITORS

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

Singleton Birch Limited (Registered Number: 00009433)

Group Strategic Report
for the year ended 31st March 2016

The directors present their strategic report of the company and the group for the year ended 31st March 2016

REVIEW OF BUSINESS

Group turnover increased by 3.3% to £37.857m and operating profit grew by 44.13% to £3.057m (2015 £2.121m). Group profit before tax increased by 58.43% to £2.649m (2015 £1.672m). These results have been achieved against a backdrop of a significant reduction of volume in the lime market with the closure of Redcar Steelworks, which affected the Company directly, and a general slowdown in the steel sector. The strategy of providing innovative products and enhanced service provision activities such as materials handling, contracting services and technical support has seen continued growth in the water, chemical and environmental control sectors and helped off-set the impact of the decline in steel. Further development of waste handling facilities will provide further opportunities for diversification. The Innovo business, which supplies specialist lime powders world-wide to the rubber and plastics industries, has continued to grow and further opportunities to expand have been identified particularly in the US and Asian markets.

Capital expenditure in the year was £6.9 million ensuring that the asset base remains sound and included expansion of the Melton Ross Anaerobic Digestion (AD) facility, to provide the majority of the site's electricity needs, the completion of two further AD plants on local farms as separate business ventures and the automation of the Innovo production facility.

The Board is confident that the continuing programme of capital investment, the diversification of customers, products and services and the expansion into energy generation and waste management will enable the Company to return to and move beyond pre-recessionary profit levels.

It is proposed that a final dividend of £1.10 per share be payable on the 20 July 2016 giving a total dividend for 2015/16 of £1.70 per share (2014/15 £1.60 per share).

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have reviewed the risks and uncertainties facing the business. These have been assessed in conjunction with the annual budget and the 3 year plan.

Continued diversification is seen as a key factor of the board strategy, to grow the business across a wider customer base with different products and services. A major component of this diversification is into energy generation which, in addition to providing new revenue streams, will provide security and savings on what is currently the most significant cost to the business.

Quarrying and lime production are high risk activities in relation to health and safety and environmental impact and the Directors have ensured that robust management systems are in place to mitigate these risks and ensure legal compliance. The Company has obtained the Occupational Health and Safety Standard BS OHSAS 18001 and the Environmental Management Standard ISO 14001 which require audit by external accredited bodies. The Company has won a number of major awards over recent years from its trade body, the Mineral Products Association, for continued excellence in health and safety performance.

The Board's successful diversification strategy has significantly reduced the exposure to the on-going crisis within the steel sector and will provide a more balanced mix of business in support of the Group's growth ambition.

ON BEHALF OF THE BOARD



S R Counsell - Chairman

20th July 2016

Singleton Birch Limited (Registered Number: 00009433)

Report of the Directors *for the year ended 31st March 2016*

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2016

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of quarrying, the manufacture, sale and distribution of lime products, landfill operations and energy generation

DIVIDENDS

The directors recommend the payment of a final dividend of £596,200 (2015 £542,000)

Interim dividends were paid during the year totalling £325,200 (60p per share)

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2015 to the date of this report unless otherwise noted

S R Counsell
S W Foster - appointed 23rd March 2016
M J Gardiner
M D Haworth
R M Stansfield
E P Tatterton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Singleton Birch Limited (Registered Number: 00009433)

Report of the Directors
for the year ended 31st March 2016

AUDITORS

The auditors, Smales Goldie, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'S R Counsell', is written over the printed name.

S R Counsell - Chairman

20th July 2016

Report of the Independent Auditors to the Members of Singleton Birch Limited

We have audited the financial statements of Singleton Birch Limited for the year ended 31st March 2016 on pages seven to thirty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2016 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Nicola Shipley FCA (Senior Statutory Auditor)
for and on behalf of Smales Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

20th July 2016

Singleton Birch Limited (Registered Number: 00009433)

Consolidated Income Statement
for the year ended 31st March 2016

	Notes	2016 £'000	2015 £'000
TURNOVER	2	37,857	36,620
Cost of sales		<u>28,699</u>	<u>30,389</u>
GROSS PROFIT		9,158	6,231
Administrative expenses		<u>6,420</u>	<u>4,946</u>
		2,738	1,285
Other operating income		<u>319</u>	<u>836</u>
OPERATING PROFIT	5	3,057	2,121
Interest payable and similar charges	6	374	345
Other finance costs	23	<u>34</u>	<u>104</u>
		<u>408</u>	<u>449</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,649	1,672
Tax on profit on ordinary activities	7	<u>(26)</u>	<u>338</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,675</u></u>	<u><u>1,334</u></u>

The notes form part of these financial statements

Singleton Birch Limited (Registered Number: 00009433)

Consolidated Other Comprehensive Income
for the year ended 31st March 2016

	Notes	2016 £'000	2015 £'000
PROFIT FOR THE YEAR		2,675	1,334
OTHER COMPREHENSIVE INCOME			
Actuarial movements		(389)	(322)
Income tax relating to other comprehensive income		<u>77</u>	<u>64</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(312)</u>	<u>(258)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,363</u>	<u>1,076</u>
Total comprehensive income attributable to Owners of the parent		<u>2,363</u>	<u>1,076</u>

The notes form part of these financial statements

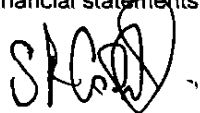
Singleton Birch Limited (Registered number: 00009433)

Consolidated Balance Sheet

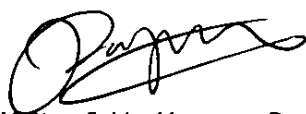
31st March 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Intangible assets	10	1,303	1,997
Tangible assets	11	25,174	22,297
Investments	12	-	-
		<u>26,477</u>	<u>24,294</u>
CURRENT ASSETS			
Stocks	13	5,816	2,705
Debtors amounts falling due within one year	14	9,749	8,477
Debtors amounts falling due after more than one year	14	1,267	1,189
Cash at bank		<u>25</u>	<u>48</u>
		<u>16,857</u>	<u>12,419</u>
CREDITORS			
Amounts falling due within one year	15	<u>12,209</u>	<u>11,915</u>
NET CURRENT ASSETS		<u>4,648</u>	<u>504</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,125</u>	<u>24,798</u>
CREDITORS			
Amounts falling due after more than one year	16	(11,016)	(6,088)
PROVISIONS FOR LIABILITIES	19	(1,794)	(1,917)
ACCRUALS AND DEFERRED INCOME	20	(44)	-
PENSION LIABILITY	23	<u>(1,223)</u>	<u>(1,241)</u>
NET ASSETS		<u>17,048</u>	<u>15,552</u>
CAPITAL AND RESERVES			
Called up share capital	21	542	542
Share premium	22	153	153
Capital redemption reserve	22	90	90
Retained earnings	22	<u>16,263</u>	<u>14,767</u>
SHAREHOLDERS' FUNDS		<u>17,048</u>	<u>15,552</u>

The financial statements were approved by the Board of Directors on 20th July 2016 and were signed on its behalf by



S R Counsell - Chairman



R M Stansfield – Managing Director

The notes form part of these financial statements

Singleton Birch Limited (Registered number: 00009433)

Company Balance Sheet

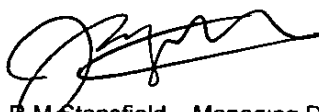
31st March 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Intangible assets	10	1,186	1,866
Tangible assets	11	24,708	21,839
Investments	12	<u>587</u>	<u>587</u>
		26,481	24,292
CURRENT ASSETS			
Stocks	13	5,661	2,614
Debtors amounts falling due within one year	14	10,221	8,949
Debtors amounts falling due after more than one year	14	1,267	1,189
Cash at bank		<u>1</u>	<u>45</u>
		17,150	12,797
CREDITORS			
Amounts falling due within one year	15	<u>15,217</u>	<u>14,985</u>
NET CURRENT ASSETS/(LIABILITIES)		1,933	(2,188)
TOTAL ASSETS LESS CURRENT LIABILITIES		28,414	22,104
CREDITORS			
Amounts falling due after more than one year	16	(11,016)	(6,088)
PROVISIONS FOR LIABILITIES	19	(1,794)	(1,917)
PENSION LIABILITY	23	<u>(1,223)</u>	<u>(1,241)</u>
NET ASSETS		<u>14,381</u>	<u>12,858</u>
CAPITAL AND RESERVES			
Called up share capital	21	542	542
Share premium	22	153	153
Capital redemption reserve	22	90	90
Retained earnings	22	<u>13,596</u>	<u>12,073</u>
SHAREHOLDERS' FUNDS		<u>14,381</u>	<u>12,858</u>

The financial statements were approved by the Board of Directors on 20th July 2016 and were signed on its behalf by



S R Counsell - Chairman



R M Stansfield – Managing Director

The notes form part of these financial statements

Singleton Birch Limited (Registered Number: 00009433)

Consolidated Statement of Changes in Equity
for the year ended 31st March 2016

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1st April 2014	537	14,496	68	90	15,191
Changes in equity					
Issue of share capital	5	-	85	-	90
Dividends	-	(805)	-	-	(805)
Total comprehensive income	-	1,076	-	-	1,076
Balance at 31st March 2015	<u>542</u>	<u>14,767</u>	<u>153</u>	<u>90</u>	<u>15,552</u>
Changes in equity					
Dividends	-	(867)	-	-	(867)
Total comprehensive income	-	2,363	-	-	2,363
Balance at 31st March 2016	<u>542</u>	<u>16,263</u>	<u>153</u>	<u>90</u>	<u>17,048</u>

The notes form part of these financial statements

Singleton Birch Limited (Registered Number: 00009433)

Company Statement of Changes in Equity
for the year ended 31st March 2016

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1st April 2014	537	11,487	68	90	12,182
Changes in equity					
Issue of share capital	5	-	85	-	90
Dividends	-	(805)	-	-	(805)
Total comprehensive income	-	1,391	-	-	1,391
Balance at 31st March 2015	<u>542</u>	<u>12,073</u>	<u>153</u>	<u>90</u>	<u>12,858</u>
Changes in equity					
Dividends	-	(867)	-	-	(867)
Total comprehensive income	-	2,390	-	-	2,390
Balance at 31st March 2016	<u>542</u>	<u>13,596</u>	<u>153</u>	<u>90</u>	<u>14,381</u>

The notes form part of these financial statements

Singleton Birch Limited (Registered Number: 00009433)

Consolidated Cash Flow Statement
for the year ended 31st March 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Cash generated from operations	1	2,153	4,913
Interest paid		(374)	(423)
Tax paid		<u>(247)</u>	<u>(197)</u>
Net cash from operating activities		<u>1,532</u>	<u>4,293</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,943)	(7,448)
Sale of intangible fixed assets		749	308
Sale of tangible fixed assets		<u>572</u>	<u>351</u>
Net cash from investing activities		<u>(5,622)</u>	<u>(6,789)</u>
Cash flows from financing activities			
New loans in year		5,000	2,500
Loan repayments in year		(407)	(23)
Capital repayments in year		672	(188)
Share issue		-	90
Equity dividends paid		<u>(867)</u>	<u>(805)</u>
Net cash from financing activities		<u>4,398</u>	<u>1,574</u>
Increase/(decrease) in cash and cash equivalents		<u>308</u>	<u>(922)</u>
Cash and cash equivalents at beginning of year	2	<u>(2,119)</u>	<u>(1,197)</u>
Cash and cash equivalents at end of year	2	<u><u>(1,811)</u></u>	<u><u>(2,119)</u></u>

The notes form part of these financial statements

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Cash Flow Statement
for the year ended 31st March 2016

1 RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£'000	£'000
Profit before taxation	2,649	1,672
Depreciation charges	4,024	3,575
Profit on disposal of fixed assets	(571)	(643)
Additional pension contributions	(441)	(488)
Decrease in provisions	(145)	(106)
Interest movement on pension scheme	(34)	92
Finance costs	408	449
	<u>5,890</u>	<u>4,551</u>
Increase in stocks	(3,111)	(720)
Increase in trade and other debtors	(955)	(1,013)
Increase in trade and other creditors	329	2,095
	<u>329</u>	<u>2,095</u>
Cash generated from operations	<u>2,153</u>	<u>4,913</u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts

Year ended 31st March 2016

	31 3 16	1 4 15
	£'000	£'000
Cash and cash equivalents	25	48
Bank overdrafts	(1,836)	(2,167)
	<u>(1,811)</u>	<u>(2,119)</u>

Year ended 31st March 2015

	31 3 15	1 4 14
	£'000	£'000
Cash and cash equivalents	48	29
Bank overdrafts	(2,167)	(1,226)
	<u>(2,119)</u>	<u>(1,197)</u>

The notes form part of these financial statements

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements *for the year ended 31st March 2016*

1 ACCOUNTING POLICIES

General information and basis of preparing the financial statements

Singleton Birch Limited is a limited company registered in the United Kingdom. The address of the registered office is given in the company information on page 3 of these financial statements.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 27.

Basis of consolidation

The group accounts consolidate the accounts of the Company and all its subsidiary undertakings at 31 March 2016 using acquisition accounting.

Joint ventures

Joint ventures are measured using the equity method approach subject to impairment reviews.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. This has specifically included reviewing banking facilities in place and detailed forecasting using sensitivity analysis to ensure that the worst case scenario situation does not put the going concern concept at risk. As a consequence, the Directors believe that the Parent Company and Group are well placed to manage their business risks successfully despite the uncertainties surrounding the current general economic outlook.

The Directors have a reasonable expectation that the Parent Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, including UK landfill tax and aggregate levy but net of VAT, intra-group transactions, rebates and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover from the sales of goods and services is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on shipment, completion of the product or the service being ready for delivery, based on specific contract terms.

Intangible assets - goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is 10 years and provisions are made for any impairment following annual reviews.

Carbon emission allowances

The Group has energy activities that are subject to the European carbon emissions trading scheme and is allocated carbon emissions allowances by the UK government. The accounting treatment for such allowances was the subject of a draft UITF abstract issued in May 2003. Following a period of consultation, the UITF decided not to issue a final abstract due to reservations about the recommended treatments of gains and losses and uncertainty about the future accounting treatment of government grants.

The directors have considered the proposed treatment in the abstract and, in light of the decision of the UITF to delay the release of definitive guidance on the treatment of emissions allowances, have chosen not to follow the treatment included in the draft abstract. Instead, they have adopted a policy which they consider most fairly represents the position at the year end and the net income or expenditure for the year.

Purchased allowances are recognised within intangible assets at their initial cost and reviewed at the end of each reporting period for evidence of impairment at which point they are written down to their recoverable amount.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

1 ACCOUNTING POLICIES - continued

Allowances received free of charge from the UK government are accounted for in accordance with SSAP 4 'Accounting for government grants' and the Group recognises an intangible asset and deferred income equal to the market value of those allowances at the date of receipt. This deferred income is amortised to the profit and loss account over the related compliance period on a straight line basis.

The Group also records a liability to reflect its obligation to deliver allowances based upon actual carbon emissions at the end of each reporting period. This liability is measured at the amounts expected to be incurred in settling the liability as follows:

- To the extent that the obligation can be met from allowances already held, it is measured at the carrying amount of the allowances held.

- To the extent that the obligation cannot be met from allowances already held, it is measured at the market price of allowances (or a contracted forward rate if such a forward purchase arrangement exists).

When the Group sells allowances to a third party in exchange for cash, the gain (or loss) on disposal, representing the excess (or shortfall) of proceeds over carrying value is reflected in the profit and loss account. When the Group exchanges allowances for other non-monetary assets, including allowances of a different type, the gain (or loss) reflected in the profit and loss account represents the difference between the market value of allowances received and the carrying value of those exchanged, on the date of exchange.

The directors will continue to review the appropriateness of this policy as further guidance develops in this area.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes those costs that are 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:

Freehold property	5% - 10% per annum on cost
Long leasehold property	5% - 10% per annum on cost
Plant and machinery	5% - 33% per annum on cost
Landfill site	5% - 33% per annum on cost

Landfill site

Acquisition, commissioning costs and the discounted cost of final site restoration are capitalised. These costs are written off over the operational life of the site on the amount of waste deposited in the year. The landfill costs of construction and restoration are reviewed annually by the directors and biennially by qualified consultants.

Government grants

The group receives government grants in respect of fixed asset additions. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the group will satisfy the conditions attaching to them.

Stocks and work in progress

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

1 ACCOUNTING POLICIES - continued

Tax

Current tax represents the amount payable or receivable in respect of the taxable profit or loss for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Employee benefits

Where employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The company also operates a defined benefit plan for the benefit of its employees. A liability for the company's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained annually and are updated at each balance sheet date.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method. If an arrangement constitutes a finance transaction it is measured at present value.

Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.

The company uses derivatives to protect against fluctuations in interest rates. The fair value is determined by annual valuations from the Group's bank.

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

1 ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably measured

Site restoration

Full provision is made for the net present value (NPV) of the Group's minimum unavoidable costs in relation to restoration liabilities at the landfill site and this is capitalised as a fixed asset

The Group provides for the NPV of intermediate restoration costs over the life of the landfill site, based on the quantity of waste deposited in the year

Aftercare provision

Provision is made for the NPV of post closure costs based on the quantity of waste deposited in the year. Similar costs incurred during the operational life of the landfill site are written off directly and not charged against the provision

Change of accounting estimate

A residual value of £2,996,000 has now been applied to the Melton Ross Anaerobic Digester Plant based on the expected future value of this asset at the end of its useful economic life. Depreciation is continued to be applied at the rates set out in the relevant accounting policy

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group

An analysis of turnover by geographical market is given below

	2016 £'000	2015 £'000
United Kingdom	36,828	35,088
Europe	383	1,126
Rest of world	646	406
	<u>37,857</u>	<u>36,620</u>

3 STAFF COSTS

	2016 £'000	2015 £'000
Wages and salaries	4,255	3,748
Social security costs	418	364
Other pension costs	567	477
	<u>5,240</u>	<u>4,589</u>

The average monthly number of employees during the year was as follows

	2016	2015
Production	62	65
Administration	54	48
	<u>116</u>	<u>113</u>

4 DIRECTORS' EMOLUMENTS

	2016 £'000	2015 £'000
Directors' remuneration	<u>538</u>	<u>491</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

4 DIRECTORS' EMOLUMENTS - continued

The number of directors to whom retirement benefits were accruing was as follows

Defined benefit schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows

	2016 £'000	2015 £'000
Emoluments etc	<u>179</u>	<u>164</u>

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,000 (2015 £18,000)

The total value of the company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £46,000 (2015 £44,000)

5 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2016 £'000	2015 £'000
Depreciation - owned assets	3,713	3,026
Depreciation - assets held under hire purchase contracts	260	534
Profit on disposal of fixed assets	(479)	(335)
Goodwill amortisation	14	15
Auditors' remuneration	28	27
Auditors remuneration - non audit fees	4	13
Foreign exchange differences	22	16
Release of government grant	(5)	-
Hire of plant and machinery	7	7
Net other operating income from carbon emissions allowances	<u>(277)</u>	<u>(836)</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Bank loan interest	<u>374</u>	<u>345</u>

7 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	2016 £'000	2015 £'000
Current tax		
UK corporation tax	-	146
Prior year over provision	<u>(148)</u>	<u>(33)</u>
Total current tax	(148)	113
Deferred tax	<u>122</u>	<u>225</u>
Tax on profit on ordinary activities	<u>(26)</u>	<u>338</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

7 TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	<u>2,649</u>	<u>1,672</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	530	351
Effects of		
Expenses not deductible for tax purposes	5	49
Capital allowances in excess of depreciation	(17)	(90)
Adjustments to tax charge in respect of previous periods	(485)	118
Additional deductions for qualifying R&D expenditure	(78)	(104)
FRS102 Pension adjustments	16	11
Amortisation of goodwill on consolidation	<u>3</u>	<u>3</u>
Total tax (credit)/charge	<u>(26)</u>	<u>338</u>

Tax effects relating to effects of other comprehensive income

	2016 Gross £'000	2016 Tax £'000	Net £'000
Actuational movements	<u>(389)</u>	<u>77</u>	<u>(312)</u>
	<u>(389)</u>	<u>77</u>	<u>(312)</u>

	2015 Gross £'000	2015 Tax £'000	Net £'000
Actuational movements	<u>(322)</u>	<u>64</u>	<u>(258)</u>
	<u>(322)</u>	<u>64</u>	<u>(258)</u>

The expected net reversal of deferred tax assets and liabilities in 2017 is £310,000. This is due to the reversal of accelerated capital allowances.

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £2,702,203 (2015 - £1,649,000).

9 DIVIDENDS

	2016 £'000	2015 £'000
Ordinary Shares of £1 each		
Interim	<u>867</u>	<u>805</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

10 INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Carbon units £'000	Totals £'000
COST			
At 1st April 2015	2,424	1,866	4,290
Additions	-	12	12
Disposals	-	(656)	(656)
Impairments	-	(36)	(36)
At 31st March 2016	<u>2,424</u>	<u>1,186</u>	<u>3,610</u>
AMORTISATION			
At 1st April 2015	2,293	-	2,293
Amortisation for year	14	-	14
At 31st March 2016	<u>2,307</u>	-	<u>2,307</u>
NET BOOK VALUE			
At 31st March 2016	<u>117</u>	<u>1,186</u>	<u>1,303</u>
At 31st March 2015	<u>131</u>	<u>1,866</u>	<u>1,997</u>

Company

	Goodwill £'000	Carbon units £'000	Totals £'000
COST			
At 1st April 2015	2,242	1,866	4,108
Additions	-	12	12
Disposals	-	(656)	(656)
Impairments	-	(36)	(36)
At 31st March 2016	<u>2,242</u>	<u>1,186</u>	<u>3,428</u>
AMORTISATION			
At 1st April 2015 and 31st March 2016	<u>2,242</u>	-	<u>2,242</u>
NET BOOK VALUE			
At 31st March 2016	<u>-</u>	<u>1,186</u>	<u>1,186</u>
At 31st March 2015	<u>-</u>	<u>1,866</u>	<u>1,866</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

11 TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Landfill Site £'000	Long leasehold £'000	Plant and machinery £'000	Totals £'000
COST					
At 1st April 2015	217	7,982	3,986	73,156	85,341
Additions	-	258	49	6,636	6,943
Disposals	(98)	-	(13)	(1,529)	(1,640)
At 31st March 2016	<u>119</u>	<u>8,240</u>	<u>4,022</u>	<u>78,263</u>	<u>90,644</u>
DEPRECIATION					
At 1st April 2015	48	6,061	2,940	53,995	63,044
Charge for year	-	572	144	3,257	3,973
Eliminated on disposal	(48)	-	(13)	(1,486)	(1,547)
At 31st March 2016	<u>-</u>	<u>6,633</u>	<u>3,071</u>	<u>55,766</u>	<u>65,470</u>
NET BOOK VALUE					
At 31st March 2016	<u>119</u>	<u>1,607</u>	<u>951</u>	<u>22,497</u>	<u>25,174</u>
At 31st March 2015	<u>169</u>	<u>1,921</u>	<u>1,046</u>	<u>19,161</u>	<u>22,297</u>

Included within tangible fixed assets are net book values of finance leases/hire purchase contracts of £1,151,120 (2015 £1,022,665)

Borrowing costs totalling £133,844 (2015 £51,171) have been included in the cost of fixed assets. The capitalisation rate used was in line with the bank loans. Details of the rates are set out in note 17.

Company	Freehold property £'000	Landfill Site £'000	Long leasehold £'000	Plant and machinery £'000	Totals £'000
COST					
At 1st April 2015	217	7,982	3,986	72,616	84,801
Additions	-	258	49	6,590	6,897
Disposals	(98)	-	(13)	(1,529)	(1,640)
At 31st March 2016	<u>119</u>	<u>8,240</u>	<u>4,022</u>	<u>77,677</u>	<u>90,058</u>
DEPRECIATION					
At 1st April 2015	48	6,061	2,940	53,913	62,962
Charge for year	-	572	144	3,219	3,935
Eliminated on disposal	(48)	-	(13)	(1,486)	(1,547)
At 31st March 2016	<u>-</u>	<u>6,633</u>	<u>3,071</u>	<u>55,646</u>	<u>65,350</u>
NET BOOK VALUE					
At 31st March 2016	<u>119</u>	<u>1,607</u>	<u>951</u>	<u>22,031</u>	<u>24,708</u>
At 31st March 2015	<u>169</u>	<u>1,921</u>	<u>1,046</u>	<u>18,703</u>	<u>21,839</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

12 FIXED ASSET INVESTMENTS

Group

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following

Subsidiaries

Name of company		% Holding	Nature of business
Innovo Chemicals Limited	Ordinary Shares	100%	Chemical processing and distribution
Birch Energy Limited	Ordinary Shares	100%	Dormant
Birch Haulage Limited	Ordinary Shares	100%	Dormant
Birch Biolime Limited	Ordinary Shares	100%	Dormant
Birch Lime Products Limited	Ordinary Shares	100%	Dormant
Birch Minerals Limited	Ordinary Shares	100%	Dormant
Technical Services (SB) Limited	Ordinary Shares	100%	Dormant
Woldlime Limited	Ordinary Shares	100%	Dormant

All of the above investments are held directly by the company

Joint Ventures

The group has a 50% holding in Laynes Green Energy Limited, a company registered in the UK. The company has not traded during the year ended 31 March 2016.

	2016	
	£'000	
Carrying value of investment	<u>-</u>	
Represented by		
Current assets	900	
Current liabilities	(900)	
	<u>-</u>	
Company		
Shares in group undertakings	2016	2015
	£'000	£'000
Cost		
At 1st April 2015 and 31st March 2016	<u>587</u>	<u>587</u>
Net Book Value		
At 1st April 2015 and 31st March 2016	<u>587</u>	<u>587</u>

13 STOCKS

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Stocks	2,973	2,705	2,818	2,614
Work-in-progress	2,843	-	2,843	-
	<u>5,816</u>	<u>2,705</u>	<u>5,661</u>	<u>2,614</u>

Stock recognised in cost of sales during the year as an expense was £10,179,958 (2015 £10,729,901).

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

14 DEBTORS

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	8,206	7,825	7,983	7,714
Amounts owed by group undertakings	-	-	760	614
Tax	508	113	508	113
VAT	58	31	-	-
Prepayments and accrued income	977	508	970	508
	<u>9,749</u>	<u>8,477</u>	<u>10,221</u>	<u>8,949</u>
Amounts falling due after more than one year				
Prepayments and accrued income	<u>1,267</u>	<u>1,189</u>	<u>1,267</u>	<u>1,189</u>
Aggregate amounts	<u>11,016</u>	<u>9,666</u>	<u>11,488</u>	<u>10,138</u>

Included in prepayments is £1,190,000 (2015 £1,254,000) in respect of an 8MVA cable to the site. The prepayment is being released over 25 years.

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 17)	2,387	2,574	2,387	2,574
Hire purchase contracts (see note 18)	591	398	591	398
Trade creditors	4,700	5,168	4,611	5,093
Amounts owed to group undertakings	-	-	3,175	3,186
Social security and other taxes	844	1,007	844	1,007
Other creditors	1,590	589	1,590	589
Accruals and deferred income	2,097	2,179	2,019	2,138
	<u>12,209</u>	<u>11,915</u>	<u>15,217</u>	<u>14,985</u>

16 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans (see note 17)	10,051	5,602	10,051	5,602
Hire purchase contracts (see note 18)	965	486	965	486
	<u>11,016</u>	<u>6,088</u>	<u>11,016</u>	<u>6,088</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

17 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand				
Bank overdrafts	1,836	2,167	1,836	2,167
Bank loans	551	407	551	407
	<u>2,387</u>	<u>2,574</u>	<u>2,387</u>	<u>2,574</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	1,246	553	1,246	553
Amounts falling due between two and five years				
Bank loans - 2-5 years	4,596	2,807	4,596	2,807
Amounts falling due in more than five years				
Repayable by instalments				
Bank loans more 5 yr by instal	4,209	2,242	4,209	2,242

The bank loans are secured by way of a legal charge and a debenture over the land, reserves and plant and machinery at Melton Ross

Bank loan terms of repayment are over quarterly instalments and the interest is payable as follows

- £2.5m at a weighted average fixed rate of 5.3%
- £7.5m at a variable interest rate of LIBOR + 2.85% to 5.3%

18 LEASING AGREEMENTS

Minimum lease payments fall due as follows

Group

	Hire purchase contracts	
	2016	2015
	£'000	£'000
Net obligations repayable		
Within one year	591	398
Between one and five years	965	486
	<u>1,556</u>	<u>884</u>

Company

	Hire purchase contracts	
	2016	2015
	£'000	£'000
Net obligations repayable		
Within one year	591	398
Between one and five years	965	486
	<u>1,556</u>	<u>884</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

18 LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2016	2015
	£'000	£'000
Within one year	5	5
Between one and five years	8	13
	<u>13</u>	<u>18</u>

19 PROVISIONS FOR LIABILITIES

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Deferred tax	<u>271</u>	<u>225</u>	<u>271</u>	<u>225</u>
Other provisions				
Site restoration	924	1,050	924	1,050
Aftercare provision	357	331	357	331
Carbon units	<u>242</u>	<u>311</u>	<u>242</u>	<u>311</u>
	<u>1,523</u>	<u>1,692</u>	<u>1,523</u>	<u>1,692</u>
Aggregate amounts	<u>1,794</u>	<u>1,917</u>	<u>1,794</u>	<u>1,917</u>

Group

	Deferred tax	Other provisions
	£'000	£'000
Balance at 1st April 2015	225	1,692
Provided during year	123	1,123
Unwinding of discounted amount	-	(25)
Utilised during year	(78)	(1,045)
Amounts released in year	-	(222)
Balance at 31st March 2016	<u>270</u>	<u>1,523</u>

Company

	Deferred tax	Other provisions
	£'000	£'000
Balance at 1st April 2015	225	1,692
Provided during year	123	1,123
Unwinding of discounted amount	-	(25)
Utilised during year	(78)	(1,045)
Amounts released in year	-	(222)
Rounding - to be updated on tax adjustments		
Balance at 31st March 2016	<u>270</u>	<u>1,523</u>

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

20 ACCRUALS AND DEFERRED INCOME

	Group	
	2016	2015
	£'000	£'000
Deferred government grants	<u>44</u>	<u>-</u>

21 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2016	2015
			£'000	£'000
542,002	Ordinary Shares		<u>542</u>	<u>542</u>

On 5 January 2015, 8,604 ordinary share options were granted to executive directors in equal portions, and a further 2,194 ordinary share options were granted to employees at an exercise price of £10.46. The directors consider that the change arising on the options is not material to the financial statements and accordingly no charge is reflected in the financial statements and disclosures normally required by FRS 102 have been omitted.

22 RESERVES

Group

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1st April 2015	14,767	153	90	15,010
Profit for the year	2,675			2,675
Dividends	(867)			(867)
Actuarial movements	<u>(312)</u>	<u>-</u>	<u>-</u>	<u>(312)</u>
At 31st March 2016	<u>16,263</u>	<u>153</u>	<u>90</u>	<u>16,506</u>

Company

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1st April 2015	12,073	153	90	12,316
Profit for the year	2,702			2,702
Dividends	(867)			(867)
Actuarial movements	<u>(312)</u>	<u>-</u>	<u>-</u>	<u>(312)</u>
At 31st March 2016	<u>13,596</u>	<u>153</u>	<u>90</u>	<u>13,839</u>

Retained Earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

Share Premium

The share premium account represents the premium arising on the issue of shares net of issue costs.

Capital Redemption Reserve

The capital redemption reserve represents the company's repurchase of own shares.

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

23 EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit pension plan for qualifying employees providing benefits based upon pensionable earnings. The pension plan is funded by the payments of contributions and assets of the plan are held in a separately administered fund.

The company also operates defined benefit pension plans for previous directors. The pension plans are unfunded arrangements and have been recognised on the balance sheet of the company.

The most recent comprehensive actuarial valuation of the pension plan assets and present value of the defined benefit obligation were carried out at 31 March 2016.

The total cost recognised in the period was as follows:

	2016 £'000	2015 £'000
Current service cost	48	24
Net interest (income)/expense	33	51
Recognised in profit or loss	81	75
Recognised in other comprehensive income	389	322
Total cost recognised	470	397

Amounts recognised in the balance sheet were as follows:

	2016 £'000	2015 £'000
Present value of funded obligations	(27,332)	(28,277)
Present value of unfunded obligations	(1,223)	(1,276)
Fair value of plan assets	27,608	28,312
	(947)	(1,241)

The present value of the unfunded pension obligations relate to former directors.

Changes in the present value of the defined benefit obligations were as follows:

	2016 £'000	2015 £'000
Opening defined benefit obligation	29,553	25,892
Expenses	48	78
Interest cost	959	1,144
Actuarial losses/(gains)	(964)	3,479
Benefits paid	(961)	(1,040)
Closing defined benefit obligation	28,555	29,553

Singleton Birch Limited (Registered Number: 00009433)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

23 EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of the pension plan assets were as follows

	2016 £'000	2015 £'000
Opening plan assets	28,312	24,576
Interest income	925	1,093
Actuarial gains/(losses)	(1,078)	3,172
Contributions made by the company	410	434
Benefits paid	(961)	(963)
Closing plan assets	<u>27,608</u>	<u>28,312</u>

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows

	2016 £'000	2015 £'000
Bonds	15,822	14,852
Diversified growth	11,636	12,838
Other	150	622
	<u>27,608</u>	<u>28,312</u>

The return on plan assets was as follows

	2016 £'000	2015 £'000
Interest income	925	1,093
Actual return on plan assets	(1,078)	3,172
	<u>(153)</u>	<u>4,265</u>

The principal actuarial assumptions used were as follows

	2016	2015
Discount rate	3.50%	3.30%
Inflation (RPI)	3.20%	3.00%
Allowance for revaluation of deferred pensions of RPI or 5% p a if less	3.20%	3.00%
Allowance for pension in payment increases of RPI or 5% p a if less	3.10%	2.90%
Allowance for pension in payment increases of RPI or 5% p a if less, minimum 3% p a	3.40%	3.20%
Allowance for commutation of pension for cash at retirement	100% of Post A Day	100% of Post A Day

The mortality assumptions adopted at 31 March 2016 imply the following life expectancies

	2016	2015
Males retiring at balance sheet date	25.3 years	25.3 years
Females retiring at balance sheet date	27.5 years	27.8 years
Males retiring in 20 years	27.2 years	27.2 years
Females retiring in 20 years	29.5 years	29.8 years

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Notes to the Consolidated Financial Statements - continued
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24 CONTINGENT LIABILITIES

The company has given a guarantee in respect of a renewable bond for the purpose of securing the performance and observation of the provisions of the waste management licence at Camp Wood Landfill Barnetby, North Lincolnshire. The bond is in place for a period of three years and shall be renewed at least two months before its expiry. The bonded sum at 31 March 2016 was £1,313,979 (2015 £1,054,000)

25 CAPITAL COMMITMENTS

	2016	2015
	£'000	£'000
Contracted but not provided for in the financial statements	<u>2,252</u>	<u>7,213</u>

26 RELATED PARTY DISCLOSURES

The group has taken advantage of the exemption in Financial Reporting Standard 102 Section 33 'Related Party Transactions' not to disclose any transactions between wholly owned members of the group

Key management personnel of the entity or its parent (in the aggregate)

	2016	2015
	£'000	£'000
Remuneration	<u>539</u>	<u>491</u>

27 ULTIMATE CONTROLLING PARTY

Singleton Birch Limited is the parent company, and the Katherine Martin Trust is the ultimate controlling party by virtue of its majority shareholding in the company

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2016

28 FIRST YEAR ADOPTION

The company has adopted FRS 102 for the first time in the year ended 31 March 2016

The effect of transition from previous reporting financial framework to FRS 102 is outlined below

a) Changes in accounting policies

There were no consequential changes in accounting policies as a result of the transition to FRS 102

b) Reconciliation of equity shareholders' funds

Adjustments to the previously reported equity shareholders' funds at the date of transition to FRS 102 were as follows

	At 1 April 2014 £000	At 31 March 2015 £000
Shareholders' funds under previous financial reporting framework	15,192	15,558
Goodwill amortisation over 10 years	-	(6)
Shareholders' funds under FRS 102	<u>15,192</u>	<u>15,552</u>

c) Reconciliation of comparative period profit or loss

Adjustments to the previously reported equity shareholders' funds at the date of transition to FRS 102 were as follows

	£000
Profit or loss for the period ended 31 March 2015 under previous financial reporting framework	1,647
Additional amortisation on goodwill	(6)
Defined benefit contributions adjustment to profit and loss charge	(385)
Deferred tax movement on defined benefit contribution adjustment	<u>78</u>
Profit or loss for the period ended 31 March 2015 under FRS 102	<u>1,334</u>

The defined benefit contributions adjustment to the profit and loss charge is as a result of the recalculations of the fair value of plan assets and defined benefit obligations at 31 March 2016. The movement is between the profit and loss account and other comprehensive income in the prior year.