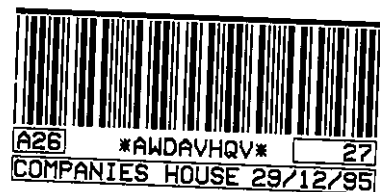


HEYGATE GRAIN LIMITED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 1ST APRIL, 1995



HEYGATE GRAIN LIMITED

DIRECTORS

A. R. Heygate, Senior, (died 5th December, 1994)
P. M. Heygate
A. R. Heygate

SECRETARY

A. C. Greene

BANKERS

Midland Bank plc.,
3 Wood Hill,
Northampton.
NN1 2DE

AUDITORS

Towers Rockall,
62a Billing Road,
Northampton.
NN1 5DL

REGISTERED OFFICE

Bugbrooke Mill,
Bugbrooke,
Northampton.
NN7 3QH

COMPANY NUMBER

1522607

HEYGATE GRAIN LIMITED**REPORT OF THE DIRECTORS**

The directors present their report and audited financial statements for the year ended 1st April, 1995.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be grain merchanting and processing.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation amounted to £75,412 (1994 - £68,053).

The directors recommend the following dividend in respect of the year ended the 1st April, 1995:

Ordinary dividend proposed (175p per share)	£ <u>27,923</u>
---	-----------------

The balance of the profit for the year has been transferred to revenue reserves.

FUTURE DEVELOPMENTS

The directors are confident that they will be able to expand the company marketing of grain products during the next financial year.

FIXED ASSETS

There were no changes in fixed assets during the year.

DIRECTORS AND THEIR INTERESTS

It is with deep regret that the board reports the death of the chairman, Mr. A.R. Heygate (Senior) on the 5th December, 1994. The board would like to express its sincere appreciation of his many years of loyal and hardworking service to the company.

The directors in office at the end of the year are listed below:-

P.M. Heygate
A.R. Heygate

Both served on the board throughout the year.

The directors held no shares in the company during the year. They are not required to do so under the Memorandum and Articles of Association. However, the directors held shares in the parent company Heygate and Sons Limited and fellow subsidiaries, as at 27th March, 1994 and 1st April, 1995 as follows:-

	Heygate and Sons Limited					County Pride Products Limited	Trolave Limited	Heygate Farms Swaffham Limited
	Pref Shares	A	B	C	D	Ordinary Shares		
	No.	No.	No.	No.	No.	No.	No.	No.
	1995 and 1994							
A.R. Heygate	3,936	6,604	47,852	163,858	3,784	333	232	4,358
P.M. Heygate	3,936	6,604	35,827	163,858	5,117	333	232	4,358

HEYGATE GRAIN LIMITED**REPORT OF THE DIRECTORS - CONTINUED****DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of each financial year and of the results of the company for that period. In preparing those 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;
- ♦ follow applicable Accounting Standards, 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 maintaining proper accounting records which 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 1985. 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.

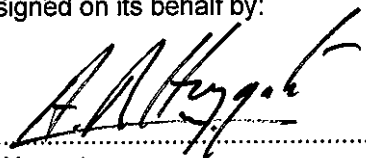
POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the year (1994 -nil).

AUDITORS

A resolution in accordance with Section 385 of the Companies Act 1985 to re-appoint Towers Rockall as auditors will be put to the members at the Annual General Meeting.

This report was approved by the Board
on **2 NOV 1995**
and signed on its behalf by:


.....
A.R. Heygate
Chairman

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
HEYGATE GRAIN LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

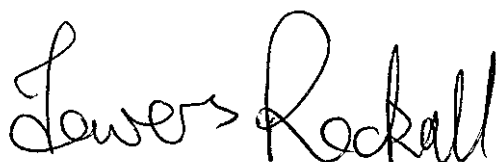
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 1st April, 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



TOWERS ROCKALL
Chartered Accountants and
Registered Auditors

**62a Billing Road,
NORTHAMPTON.
NN1 5DL**

HEYGATE GRAIN LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 1995**

	Notes	1995 £	1994 £
Turnover	2	12,309,627	12,671,431
Cost of sales		<u>(12,006,510)</u>	<u>(12,258,473)</u>
Gross profit		303,117	412,958
Distribution costs		175,472	217,005
Administrative expenses		<u>33,074</u>	<u>111,170</u>
		<u>(208,546)</u>	<u>(328,175)</u>
Profit on ordinary activities before taxation	3	94,571	84,783
Tax on profit on ordinary activities	4	<u>(19,159)</u>	<u>(16,730)</u>
Profit on ordinary activities after taxation		75,412	68,053
Dividends on equity shares	5	<u>(27,923)</u>	<u>(14,950)</u>
Retained profit for the financial year		47,489	53,103
Retained profits brought forward		<u>195,366</u>	<u>142,263</u>
Retained profits carried forward		<u>£ 242,855</u>	<u>£ 195,366</u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the profit for the above two financial years.

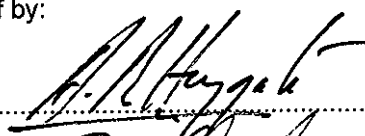
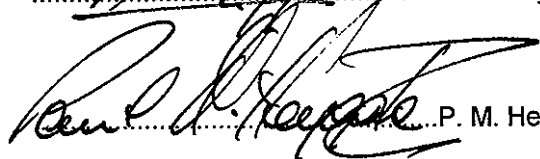
HEYGATE GRAIN LIMITED**BALANCE SHEET AT 1ST APRIL, 1995**

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	6	233,411	292,523
Current assets			
Debtors	7	1,325,758	356,829
Cash at bank		<u>26,763</u>	<u>199,183</u>
		1,352,521	556,012
Creditors: amounts falling due within one year	8	<u>(1,111,007)</u>	<u>(451,274)</u>
Net current assets		<u>241,514</u>	<u>104,738</u>
Total assets less current liabilities		474,925	397,261
Creditors: amounts falling due after more than one year			
Accruals and deferred income	9	(90,101)	(123,285)
Provision for liabilities and charges			
Deferred taxation	10	<u>(46,019)</u>	<u>(67,110)</u>
		£ 338,805	£ 206,866
Capital and reserves			
Called up share capital	11	19,945	11,500
Share premium account		76,005	-
Profit and loss account		<u>242,855</u>	<u>195,366</u>
Shareholders' funds	12	£ 338,805	£ 206,866

These financial statements were approved by the Board on
signed on its behalf by:

2 NOV 1995

and were


..... A.R. Heygate

..... P. M. Heygate

)
)
) Directors
)
)

HEYGATE GRAIN LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 1ST APRIL, 1995**

	Note	1995 £	1994 £
Net cash (outflow)/inflow from operating activities	CF1	(207,497)	240,526
Returns on investment and servicing of finance			
Dividends paid		(14,950)	(13,800)
Taxation			
Corporation tax paid (including advance corporation tax)		(34,423)	(50,018)
Financing			
Issue of ordinary share capital		84,450	-
(Decrease)/increase in cash and cash equivalents	CF2	<u>£ (172,420)</u>	<u>£ 176,708</u>

HEYGATE GRAIN LIMITED**NOTES TO THE CASH FLOW STATEMENT****CF1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES:**

	1995 £	1994 £
Operating profit	94,571	84,783
Grant credited to profit and loss account	(33,184)	(33,184)
Depreciation	59,112	59,112
(Increase)/decrease in debtors	(968,929)	2,744,296
Increase/(decrease) in creditors	<u>640,933</u>	<u>(2,614,481)</u>
Net cash (outflow)/inflow from operating activities	<u>£ (207,497)</u>	<u>£ 240,526</u>

CF2 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS OF THE COMPANY DURING THE YEAR:

	1995 £	1994 £
Balance at start of year	199,183	22,475
Net cash (outflow)/inflow	<u>(172,420)</u>	<u>176,708</u>
Balance at year end	<u>£ 26,763</u>	<u>£ 199,183</u>

CF3 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET:

	1995 £	1994 £	Change in Current year £	Change in Prior year £
Cash at bank and in hand	<u>26,763</u>	<u>199,183</u>	<u>(172,420)</u>	<u>176,708</u>

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 1995****1. ACCOUNTING POLICIES****Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Silo buildings	:	3% per annum
Plant and machinery	:	10% per annum

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements and has been provided for, on the liability basis, in full. Transfers to and from deferred taxation are calculated at the rate of corporation tax that it is estimated will be in force when the timing differences reverse.

Government grant received - FEOGA Grant

The grant received is being amortised over the total remaining useful life of the assets to which it relates:

Silo buildings	:	over 27 years
Plant and machinery	:	over 4 years

The expenditure on these assets was incurred in 1986/87 but, due to the uncertainty over the receipt of the grant, its recognition and amortisation in the accounts was delayed until its actual receipt in the year ended 27th March, 1993.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax.

The turnover and pretax profit is wholly attributable to the merchanting and processing of grain. All sales are made within the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £	1994 £
a. This is stated after charging:		
Auditors' remuneration	5,100	5,000
Depreciation	<u>59,112</u>	<u>59,112</u>
b. After crediting:		
Release of FEOGA grant	<u>33,184</u>	<u>33,184</u>

This grant has been received from the Ministry of Agriculture, Fisheries and Food in respect of a silo built for grain storage purposes, and has been credited against Cost of Sales in accordance with the accounting policy disclosed above.

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 1995****4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1995	1994
	£	£
Based on the profit for the year:		
Corporation tax @ 33%	37,609	34,683
Deferred taxation	(18,450)	(18,050)
	<u>19,159</u>	<u>16,633</u>
 Under provision for previous years	 -	 97
	<u>£ 19,159</u>	<u>£ 16,730</u>

5 DIVIDENDS

	1995	1994
	£	£
Ordinary - proposed dividend of 175p per share (1994 - 130p per share)	<u>£ 27,923</u>	<u>£ 14,950</u>

6. TANGIBLE FIXED ASSETS

	Silo Buildings	Plant and Machinery	Total
	£	£	£
Cost:			
At 27th March, 1994 and 1st April, 1995	<u>£ 202,489</u>	<u>£ 528,806</u>	<u>£ 731,295</u>
Depreciation:			
At 27th March, 1994	48,736	390,036	438,772
Provided in the year	6,120	52,992	59,112
	<u>£ 54,856</u>	<u>£ 443,028</u>	<u>£ 497,884</u>
 At 1st April, 1995			
Net book amount:			
At 1st April, 1995	<u>£ 147,633</u>	<u>£ 85,778</u>	<u>£ 233,411</u>
At 26th March, 1994	<u>£ 153,753</u>	<u>£ 138,770</u>	<u>£ 292,523</u>

7. DEBTORS**Amounts falling due within one year:**

	1995	1994
	£	£
Trade debtors	245,335	356,807
Amounts due from group companies	1,080,423	22
	<u>£ 1,325,758</u>	<u>£ 356,829</u>

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 1995****8. CREDITORS****Amounts falling due within one year:**

	1995	1994
	£	£
Trade creditors	311,325	303,017
Amounts due to group companies	731,509	98,884
ACT on proposed dividends	6,981	4,340
Corporation tax	33,269	30,083
Proposed dividends	27,923	14,950
	<u>£ 1,111,007</u>	<u>£ 451,274</u>

9. DEFERRED INCOME**FEOGA GRANT:**

	1995	1994
	£	£
Balance at 27th March, 1994	123,285	156,469
Credited to the profit and loss account	<u>(33,184)</u>	<u>(33,184)</u>
Balance at 1st April, 1995	<u>£ 90,101</u>	<u>£ 123,285</u>

10. DEFERRED TAXATION

	1995	1994
	£	£
Accelerated capital allowances		
Balance at 27th March, 1994	71,450	89,500
Transfer to profit and loss account	<u>(18,450)</u>	<u>(18,050)</u>
	53,000	71,450
Recoverable ACT	<u>(6,981)</u>	<u>(4,340)</u>
Balance at 1st April, 1995	<u>£ 46,019</u>	<u>£ 67,110</u>

11. SHARE CAPITAL

	Authorised 1995 and 1994	Allotted, called up and fully paid	
	£	1995	1994
		£	£
Equity shares			
Ordinary shares of £1 each	20,000	19,945	11,500

During the year a Rights Issue of 8,445 ordinary shares of £1 each was made on a 47 for 64 basis at £10 per share. An appropriate transfer has been made to a share premium account.

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 1995****12. SHAREHOLDERS' FUNDS****Reconciliation of movements in shareholders' funds:**

	1995	1994
	£	£
Profit for the financial year	75,412	68,053
Dividends payable	(27,923)	(14,950)
	<u>47,489</u>	<u>53,103</u>
New share capital subscribed	8,445	-
Share premium on new share capital	<u>76,005</u>	<u>-</u>
Net addition to shareholders' funds	131,939	53,103
Opening shareholders' funds at 27th March, 1994	<u>206,866</u>	<u>153,763</u>
Closing shareholders' funds at 1st April, 1995	<u>£ 338,805</u>	<u>£ 206,866</u>

13. CAPITAL COMMITMENTS

There were no capital commitments at the 1st April, 1995 or at the 26th March, 1994.

14. CONTINGENT LIABILITIES

There is a contingent liability in respect of a multilateral guarantee dated 4th October, 1991 covering the bank overdraft of the company and Heygate and Sons Limited and its subsidiaries.