

Registered

1522607

**HEYGATE GRAIN LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED 1ST APRIL, 2000**



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COMPANIES HOUSE 27/01/01

**HEYGATE GRAIN LIMITED**

**DIRECTORS**

P. M. Heygate  
A. R. Heygate  
Mrs. A.E. Tetley

**SECRETARY**

A. C. Greene

**BANKERS**

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

**AUDITORS**

Clifford Roberts,  
62a Billing Road,  
Northampton.  
NN1 5DL

**REGISTERED OFFICE**

Bugbrooke Mills,  
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, 2000

**PRINCIPAL ACTIVITY**

The principal activity of the company continues to be the purchase of U.K. farmers and merchants' grain for sale to group companies for processing at the Bugbrooke, Tring and Downham Market sites and for sale to third parties.

**REVIEW OF THE BUSINESS**

The company has successfully increased the volumes of wheat it has traded during the year, but due to the continuing fall in wheat prices overall profitability has not increased on the previous year. During the year the company acquired the trading assets of a fellow subsidiary, Heygate March Limited, and has incorporated these within its existing activities.

**RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation for the year amounted to £366,659 (1999 - £378,194 ). The directors have recommended and paid the following dividend in respect of the year ended 1st April, 2000:

|                                        |                 |
|----------------------------------------|-----------------|
| Ordinary dividend paid £4.50 per share | <u>£ 89,753</u> |
|----------------------------------------|-----------------|

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

**FUTURE DEVELOPMENTS**

The directors are hopeful that they will be able to continue to expand the company's marketing of grain products to third parties during the next financial year.

**YEAR 2000 COMPLIANCE AND THE EURO**

The company has experienced no significant computer or operating problems arising from the advent of the year 2000. There may be problems yet to be identified but the directors are confident of being able to deal promptly with any that may occur. Costs of dealing with the year 2000 issue are expensed as incurred and are not deemed to be material.

The impact of the euro has also been considered generally by the company. Although the impact of the changeover to the euro is not currently anticipated to be significant, this issue is being closely monitored.

**DIRECTORS AND THEIR INTERESTS**

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

A.R. Heygate  
P.M. Heygate  
Mrs. A.E. Tetley

All served on the board throughout the year.

Mr. A.R. Heygate and Mr. P.M. Heygate each held 4,780 ordinary £1 shares in Heygate Grain Limited as principal trustees of family trusts at 1st April, 2000 and 28th March, 1999. The directors also held shares in the parent company and in fellow subsidiaries at 1st April, 2000 and 28th March, 1999 as follows:

**At 1st April, 2000 and 28th March, 1999**

|                  | Heygate and Sons Limited |                 |        |         |   | County<br>Pride<br>Products | Heygate<br>Farms<br>Trolave<br>Swaffham |                    |
|------------------|--------------------------|-----------------|--------|---------|---|-----------------------------|-----------------------------------------|--------------------|
|                  | Preference<br>Shares     | Ordinary Shares |        |         |   | Limited                     | Limited                                 | Limited            |
|                  | No.                      | A               | B      | C       | D | Ordinary<br>Shares          | Ordinary<br>Shares                      | Ordinary<br>Shares |
| A.R. Heygate     | 7,878                    | 6,608           | 13,528 | 327,716 | - | 666                         | 232                                     | 8,716              |
| P.M. Heygate     | -                        | 6,608           | 13,528 | -       | - | 666                         | 232                                     | 8,716              |
| Mrs. A.E. Tetley | -                        | -               | -      | 678     | - | 2                           | -                                       | 2                  |

**HEYGATE GRAIN LIMITED****REPORT OF THE DIRECTORS (CONTINUED)****DIRECTORS AND THEIR INTERESTS - CONTINUED**

The directors also held the following shares in the holding company as principal trustees of family trusts at 1st April, 2000 and 28th March, 1999.

At 1st April, 2000 and 28th March, 1999

|                  | Heygate and Sons Limited |                 |          |          |          |
|------------------|--------------------------|-----------------|----------|----------|----------|
|                  | Preference<br>Shares     | Ordinary Shares |          |          |          |
|                  | No.                      | A<br>No.        | B<br>No. | C<br>No. | D<br>No. |
| A.R. Heygate     | -                        | 6,600           | 120,000  | -        | 7,568    |
| P.M. Heygate     | 7,872                    | 6,600           | 58,126   | 327,716  | 10,234   |
| Mrs. A.E. Tetley | -                        | 105,670         | -        | 156,000  | -        |

**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.

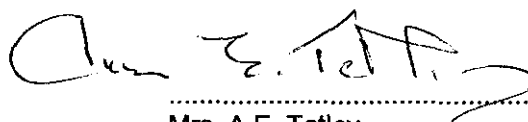
**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made no political or charitable contributions during the year or the previous year.

**AUDITORS**

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

This report was approved by the Board  
on 2nd November, 2000  
and signed on its behalf by:



Mrs. A.E. Tetley  
Chairman

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**  
**HEYGATE GRAIN LIMITED**

We have audited the financial statements on pages 4 to 13 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.

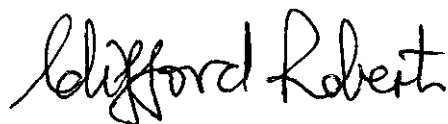
**Basis of opinion**

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, 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**CLIFFORD ROBERTS**  
**Chartered Accountants and**  
**Registered Auditors**  
**2nd November, 2000**

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

**HEYGATE GRAIN LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 2000**

|                                               | Note | 2000           |                     | 1999           |                     |
|-----------------------------------------------|------|----------------|---------------------|----------------|---------------------|
|                                               |      | £              | £                   | £              | £                   |
| Turnover                                      | 2    |                | 34,529,470          |                | 33,175,868          |
| Cost of sales                                 |      |                | <u>(33,381,112)</u> |                | <u>(32,219,489)</u> |
| <b>Gross profit</b>                           |      |                | 1,148,358           |                | 956,379             |
| Distribution costs                            |      | 393,532        |                     | 287,169        |                     |
| Administrative expenses                       |      | <u>233,028</u> |                     | <u>122,192</u> |                     |
|                                               |      |                | <u>(626,560)</u>    |                | <u>(409,361)</u>    |
| Profit on ordinary activities before taxation | 4    |                | 521,798             |                | 547,018             |
| Tax on profit on ordinary activities          | 5    |                | <u>(155,139)</u>    |                | <u>(168,824)</u>    |
| Profit on ordinary activities after taxation  |      |                | 366,659             |                | 378,194             |
| Dividends on equity shares                    | 6    |                | <u>(89,753)</u>     |                | <u>(89,753)</u>     |
| Retained profit for the financial year        |      |                | <u>£ 276,906</u>    |                | <u>£ 288,441</u>    |

**Statement of retained profits**

|                                        |                    |                    |
|----------------------------------------|--------------------|--------------------|
| Retained profits brought forward       | 1,257,307          | 968,866            |
| Retained profit for the financial year | 276,906            | 288,441            |
| Retained profits carried forward       | <u>£ 1,534,213</u> | <u>£ 1,257,307</u> |

**Continuing Operations**

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

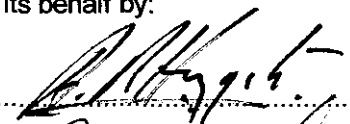
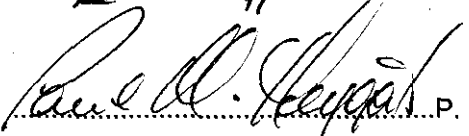
**Total Recognised Gains and Losses**

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, 2000**

|                                                       | Note | 2000<br>£          | 1999<br>£          |
|-------------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |
| Tangible assets                                       | 7    | 186,706            | 123,169            |
| <b>Current assets</b>                                 |      |                    |                    |
| Stocks                                                | 8    | 1,454,267          | 1,847,409          |
| Debtors                                               | 9    | 1,288,537          | 1,819,417          |
| Cash at bank                                          |      | <u>985,400</u>     | <u>397,284</u>     |
|                                                       |      | 3,728,204          | 4,064,110          |
| <b>Creditors: amounts falling due within one year</b> | 10   | <u>(2,264,947)</u> | <u>(2,813,222)</u> |
| <b>Net current assets</b>                             |      | <u>1,463,257</u>   | <u>1,250,888</u>   |
| <b>Total assets less current liabilities</b>          |      | 1,649,963          | 1,374,057          |
| <b>Provision for liabilities and charges</b>          |      |                    |                    |
| Deferred taxation                                     | 11   | (19,800)           | (20,800)           |
| <b>Net assets</b>                                     |      | <u>£ 1,630,163</u> | <u>£ 1,353,257</u> |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 12   | 19,945             | 19,945             |
| Share premium account                                 |      | 76,005             | 76,005             |
| Profit and loss account                               |      | <u>1,534,213</u>   | <u>1,257,307</u>   |
| <b>Shareholders' funds</b>                            | 13   | <u>£ 1,630,163</u> | <u>£ 1,353,257</u> |

These financial statements were approved by the Board on 2nd November, 2000 and were signed on its behalf by:

  
..... A.R. Heygate )  
) Directors  
  
..... P. M. Heygate )

The notes on pages 8 to 13 form part of these financial statements

**HEYGATE GRAIN LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 1ST APRIL, 2000**

|                                                      | <b>Cash<br/>flow<br/>note</b> | <b>2000<br/>£</b> | <b>1999<br/>£</b> |
|------------------------------------------------------|-------------------------------|-------------------|-------------------|
| <b>Net cash inflow from<br/>operating activities</b> | <b>1</b>                      | <b>970,277</b>    | <b>877,468</b>    |
| <br>Tax paid                                         |                               | <br>(211,479)     | <br>(175,660)     |
|                                                      |                               | <hr/> 758,798     | <hr/> 701,808     |
| Fixed assets purchased                               |                               | (80,929)          | -                 |
| Equity dividends paid                                |                               | (89,753)          | (89,753)          |
|                                                      |                               | <hr/>             | <hr/>             |
| <b>Increase in cash</b>                              |                               | <b>£ 588,116</b>  | <b>£ 612,055</b>  |
|                                                      |                               | <hr/> <hr/>       | <hr/> <hr/>       |

**Reconciliation of net cash flow to movement in net funds**

|                                       |          |                  |                  |
|---------------------------------------|----------|------------------|------------------|
| <i>Increase in cash in the period</i> | <b>2</b> | <b>588,116</b>   | <b>612,055</b>   |
| Net funds at 28th March, 1999         |          | 397,284          | (214,771)        |
|                                       |          | <hr/>            | <hr/>            |
| <b>Net funds at 1st April, 2000</b>   |          | <b>£ 985,400</b> | <b>£ 397,284</b> |
|                                       |          | <hr/> <hr/>      | <hr/> <hr/>      |

The notes on page 7 form part of this cash flow statement

**HEYGATE GRAIN LIMITED****NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 1ST APRIL, 2000****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES:**

|                                                  | <b>2000</b>      | <b>1999</b>      |
|--------------------------------------------------|------------------|------------------|
|                                                  | <b>£</b>         | <b>£</b>         |
| Operating profit                                 | 521,798          | 547,018          |
| Depreciation                                     | 17,392           | 8,823            |
| Decrease/(increase) in stocks                    | 393,142          | (276,676)        |
| Decrease in debtors                              | 530,937          | 4,854,356        |
| (Decrease) in creditors                          | (492,992)        | (4,256,053)      |
| <b>Net cash inflow from operating activities</b> | <b>£ 970,277</b> | <b>£ 877,468</b> |

**2. ANALYSIS OF CHANGES IN NET FUNDS**

|                          | <b>At<br/>28th March,<br/>1999</b> | <b>Cash<br/>flows</b> | <b>At<br/>1st April,<br/>2000</b> |
|--------------------------|------------------------------------|-----------------------|-----------------------------------|
|                          | <b>£</b>                           | <b>£</b>              | <b>£</b>                          |
| Cash at bank and in hand | 397,284                            | 588,116               | 985,400                           |

**HEYGATE GRAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 2000****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:-

|                               |   |                       |
|-------------------------------|---|-----------------------|
| Leasehold buildings           | : | 10% and 3% per annum  |
| Plant and machinery           | : | 25% and 10% per annum |
| Computer and office equipment | : | 20% and 10% per annum |

**Stocks**

Stocks are stated at the lower of cost and net realisable value and comprise purchases for resale. Purchases for resale are valued at cost price, calculated on a first in first out basis. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal.

**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.

**Pension contributions**

The employees of the company, with the exception of the directors, are members of the Heygate Group Pension and Life Assurance Scheme which provides benefits based upon final pensionable pay. The assets of the scheme are held in a separate trustee administered fund, being invested with insurance companies and managed funds.

Pension fund liabilities are assessed by an independent professionally qualified actuary on the basis of triennial valuations using the discounted cash flow forward method.

In accordance with Statement of Standard Accounting Practice 24, pension costs are charged against profits using actuarial valuation methods intended to spread the pension cost evenly over the average service periods of the current employees in the scheme.

**HEYGATE GRAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 2000****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 handling of grain within the United Kingdom.

**3. STAFF COSTS**

|                       | 2000             | 1999            |
|-----------------------|------------------|-----------------|
|                       | £                | £               |
| Wages and salaries    | 98,501           | 42,908          |
| Social security costs | 12,017           | 4,291           |
| Other pension costs   | 2,953            | 1,599           |
|                       | <u>£ 113,471</u> | <u>£ 48,798</u> |

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

|                      | No.      | No.      |
|----------------------|----------|----------|
| Handling and storage | <u>4</u> | <u>2</u> |

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

|                                       | 2000            | 1999            |
|---------------------------------------|-----------------|-----------------|
|                                       | £               | £               |
| <i>This is stated after charging:</i> |                 |                 |
| Auditors' remuneration                | 8,500           | 6,600           |
| Depreciation                          | 17,392          | 8,823           |
| Rent of buildings                     | 8,000           | 3,500           |
|                                       | <u>£ 33,892</u> | <u>£ 18,923</u> |

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

|                                          | 2000             | 1999             |
|------------------------------------------|------------------|------------------|
|                                          | £                | £                |
| <i>Based on the profit for the year:</i> |                  |                  |
| Corporation tax @ 30%                    | 156,145          | 170,924          |
| Deferred taxation                        | (1,000)          | (2,100)          |
| Interest on tax repaid                   | (6)              | -                |
|                                          | <u>£ 155,139</u> | <u>£ 168,824</u> |

**6. DIVIDENDS**

|                                                                      | 2000          | 1999          |
|----------------------------------------------------------------------|---------------|---------------|
|                                                                      | £             | £             |
| Ordinary dividend paid of 450 p per share<br>(1999 - 450p per share) | <u>89,753</u> | <u>89,753</u> |

**HEYGATE GRAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 2000****7. TANGIBLE FIXED ASSETS**

|                         | <b>Leasehold<br/>buildings</b> | <b>Plant and<br/>machinery</b> | <b>Computer<br/>and office<br/>equipment</b> | <b>Total</b>     |
|-------------------------|--------------------------------|--------------------------------|----------------------------------------------|------------------|
|                         | <b>£</b>                       | <b>£</b>                       |                                              | <b>£</b>         |
| <b>Cost:</b>            |                                |                                |                                              |                  |
| At 28th March, 1999     | 202,489                        | 528,807                        | -                                            | 731,296          |
| Additions in year       | 23,999                         | 47,453                         | 9,477                                        | 80,929           |
| At 1st April, 2000      | <u>£ 226,488</u>               | <u>£ 576,260</u>               | <u>£ 9,477</u>                               | <u>£ 812,225</u> |
| <b>Depreciation:</b>    |                                |                                |                                              |                  |
| At 28th March, 1999     | 79,400                         | 528,727                        | -                                            | 608,127          |
| Provided in the year    | 8,200                          | 7,072                          | 2,120                                        | 17,392           |
| At 1st April, 2000      | <u>£ 87,600</u>                | <u>£ 535,799</u>               | <u>£ 2,120</u>                               | <u>£ 625,519</u> |
| <b>Net book amount:</b> |                                |                                |                                              |                  |
| At 1st April, 2000      | <u>£ 138,888</u>               | <u>£ 40,461</u>                | <u>£ 7,357</u>                               | <u>£ 186,706</u> |
| At 27th March, 1999     | <u>£ 123,089</u>               | <u>£ 80</u>                    | <u>£ -</u>                                   | <u>£ 123,169</u> |

**8. STOCKS**

|                      | <b>2000<br/>£</b> | <b>1999<br/>£</b> |
|----------------------|-------------------|-------------------|
| Purchases for resale | <u>1,454,267</u>  | <u>1,847,409</u>  |

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

|                                   | <b>2000<br/>£</b>  | <b>1999<br/>£</b>  |
|-----------------------------------|--------------------|--------------------|
| Trade debtors                     | 327,030            | 497,652            |
| Amounts due from group companies: |                    |                    |
| Fellow subsidiaries               | 960,993            | 1,321,308          |
| Other debtors                     | 514                | 457                |
|                                   | <u>£ 1,288,537</u> | <u>£ 1,819,417</u> |

**10. CREDITORS****Amounts falling due within one year:**

|                                         | <b>2000<br/>£</b>  | <b>1999<br/>£</b>  |
|-----------------------------------------|--------------------|--------------------|
| Trade creditors                         | 1,878,330          | 2,044,489          |
| Amounts due to group companies:         |                    |                    |
| Holding company and fellow subsidiaries | 270,975            | 597,809            |
| Advance corporation tax payable         | -                  | 22,438             |
| Corporation tax                         | 115,642            | 148,486            |
|                                         | <u>£ 2,264,947</u> | <u>£ 2,813,222</u> |

**HEYGATE GRAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 2000****11. DEFERRED TAXATION**

|                                       | <b>2000</b>            | <b>1999</b>            |
|---------------------------------------|------------------------|------------------------|
|                                       | <b>£</b>               | <b>£</b>               |
| <b>Accelerated capital allowances</b> |                        |                        |
| Balance at 28th March, 1999           | 20,800                 | 22,900                 |
| Transfer to profit and loss account   | <u>(1,000)</u>         | <u>(2,100)</u>         |
| Balance at 1st April, 2000            | <u><b>£ 19,800</b></u> | <u><b>£ 20,800</b></u> |

**12. SHARE CAPITAL**

|                            | <b>Authorised<br/>2000 and 1999<br/>£</b> | <b>Allotted, called up<br/>and fully paid<br/>2000 and 1999<br/>£</b> |
|----------------------------|-------------------------------------------|-----------------------------------------------------------------------|
| <b>Equity shares</b>       |                                           |                                                                       |
| Ordinary shares of £1 each | <u>20,000</u>                             | <u>19,945</u>                                                         |

**13. SHAREHOLDERS' FUNDS****Reconciliation of movements in shareholders' funds:**

|                                                 | <b>2000</b>               | <b>1999</b>               |
|-------------------------------------------------|---------------------------|---------------------------|
|                                                 | <b>£</b>                  | <b>£</b>                  |
| Profit on ordinary activities after taxation    | 366,659                   | 378,194                   |
| Dividends paid                                  | <u>(89,753)</u>           | <u>(89,753)</u>           |
| Net addition to shareholders' funds             | 276,906                   | 288,441                   |
| Opening shareholders' funds at 28th March, 1999 | <u>1,353,257</u>          | <u>1,064,816</u>          |
| Closing shareholders' funds at 1st April, 2000  | <u><b>£ 1,630,163</b></u> | <u><b>£ 1,353,257</b></u> |

**14. CAPITAL COMMITMENTS**

There were no capital commitments at the 1st April, 2000 or 27th March, 1999.

**HEYGATE GRAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 2000****15. OTHER FINANCIAL COMMITMENTS**

At 1st April, 2000 the company had minimum annual commitments under non-cancellable operating leases as follows:-

|                                                       | 2000<br>£    | 1999<br>£    |
|-------------------------------------------------------|--------------|--------------|
| Leases in respect of land and buildings which expire: |              |              |
| After more than five years                            | <u>9,500</u> | <u>3,500</u> |

**16. CONTINGENT LIABILITIES**

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

The Heygate Engineering Company Limited  
 Fine Lady Bakeries Limited  
 County Pride Products Limited  
 Heygate Farms Swaffham Limited  
 Heygates Limited  
 Millstream Investments Limited  
 Trolave Limited

**17. ULTIMATE HOLDING COMPANY**

The directors consider that the ultimate holding company of this company is its parent, Heygate and Sons Limited, which is registered in England.

**18. PENSION ARRANGEMENTS**

The employees of the company, with the exception of the directors, are members of The Heygate Group Pension and Life Assurance Scheme which provides defined pension and lump sum benefits payable to members on their retirement from the Heygate group or to their dependants on death before or after retirement. The scheme is of the defined benefit type and has its assets held in a separate trustee administered fund. Pension contributions are based upon pension costs across the group as a whole.

The total pension cost of the company for the year was £2,953 (1999 - £1,599).

Details of the actuarial valuation of the scheme and the main assumptions used in that valuation are contained within the financial statements of Heygate and Sons Limited.

**HEYGATE GRAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1ST APRIL, 2000****19. RELATED PARTY DISCLOSURES****Ultimate controlling party**

The directors consider the ultimate controlling party of the company is its parent company, Heygate and Sons Limited, which owns 52.07% of its issued share capital. Heygate and Sons Limited has a controlling nucleus of directors: Mr. A.R. Heygate, Mr. P.M. Heygate and Mrs. A.E. Tetley, who together own 10% of the voting issued ordinary share capital personally and 74.43% of the voting issued ordinary share capital as principal trustees of family trusts.

*Mrs. D. Haines, sister of Mr. P.M. Heygate, cousin of Mr. A.R. Heygate and niece of Mrs. A.E. Tetley, although not a director of Heygate and Sons Limited, is a principal trustee of a family trust which owns 15.45% of the remaining voting issued ordinary share capital.*

**Related party transactions**

During the year the company paid rents for land and buildings to Heygate and Sons (Estates), a related entity in which Mr. A.R. Heygate, Mr. P.M. Heygate, Mrs. A.E. Tetley and Mrs. D. Haines are among the participators, in the sum of £8,000 (1999 - £3,500). All rentals charged to the company were on an arm's length commercial basis.

The company was recharged for insurances effected through a wholly owned subsidiary of Heygate and Sons Limited in the sum of £12,677 (1999 - £4,779). The total premium for the group is recharged on the basis of cost to each group company. No profit or loss is involved in these transactions.

During the year the company sold grain to Heygate and Sons Limited and its wholly owned subsidiaries in the sum of £29,824,958 (1999 - £29,436,579). The company also purchased grain from other wholly owned subsidiaries in the sum of £1,988,108 (1999 - £5,382,207). In addition the company purchased grain from Heygate and Sons (Farmers), a partnership in which Mr. A.R. Heygate, Mr. P.M. Heygate, Mrs. A.E. Tetley and Mrs. D. Haines are the partners, in the sum of £363,303 (1999 - £86,992). The company also purchased administration services from a wholly owned subsidiary in the sum of £124,040 (1999 - £97,400) and paid for grain storage to this subsidiary in the sum of £198,199 (1999 - £180,972). These transactions were undertaken at arm's length on normal commercial terms.

The company also leased cars from a fellow subsidiary in the sum of £1,896 (1999 - Nil).

**Balances due to/from related parties**

At 1st April, 2000 there were the following balances outstanding with other group companies:

Included in debtors: amounts falling due within one year:

|                              | 2000           | 1999             |
|------------------------------|----------------|------------------|
| Due from fellow subsidiaries | <u>960,993</u> | <u>1,321,308</u> |

At 1st April, 2000 there were the following balances owing to group companies and other related entities:

Included in creditors: amounts falling due within one year:

|                          | 2000           | 1999           |
|--------------------------|----------------|----------------|
|                          | £              | £              |
| Due to holding company   | -              | 147,768        |
| Due to fellow subsidiary | <u>270,975</u> | <u>450,041</u> |