

HEYGATE GRAIN LIMITED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 26TH MARCH, 2011

MONDAY



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COMPANIES HOUSE

HEYGATE GRAIN LIMITED

DIRECTORS

P M Heygate
A R Heygate

SECRETARY

J C Saynor (Resigned 3rd November, 2010)
S Chia (Appointed 3rd November, 2010)

BANKERS

HSBC Bank plc ,
Home & Eastern Counties Corporate Banking Centre,
Level 6, Metropolitan House,
CBX3 Avebury Boulevard,
Milton Keynes
MK9 2GA

AUDITORS

Clifford Roberts,
Chartered Accountants,
Pacioli House,
9 Brookfield,
Duncan Close,
Moulton Park,
Northampton
NN3 6WL

REGISTERED OFFICE

Bugbrooke Mills,
Bugbrooke,
Northampton
NN7 3QH

COMPANY NUMBER

1522607

HEYGATE GRAIN LIMITED

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HEYGATE GRAIN LIMITED**DIRECTORS' REPORT**

The directors present their report and audited financial statements for the year ended 26th March, 2011

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the purchase of U K farmers' and merchants' grain on behalf of a fellow group company for processing at its Bugbrooke, Tring and Downham Market sites and, occasionally, for sale to third parties

RESULTS AND DIVIDENDS

There was a profit on ordinary activities after taxation for the year amounting to £187,685 (2010 - £257,761)

The directors have not recommended a dividend in respect of the year ended 26th March, 2011 and no dividends were paid in the period

BUSINESS REVIEW**Fair review of the business**

The company's turnover has increased compared with the previous year due to the effects of changes in unit selling prices and volumes. Pressure on margins has resulted in a lower gross profit and, despite reductions in distribution costs and administrative expenses, this has led to a decreased profit on ordinary activities

Principal risks and uncertainties

The principal risk that the company continues to face is the fluctuation in the global grain price and the ability to source milling wheat of a consistently high quality

Analysis of developments and performance

The directors are satisfied with the performance of the company during the year and developments were in line with expectations

FUTURE DEVELOPMENTS

The directors have no plans for any significant changes in business operations in the foreseeable future. They anticipate that the trading performance will be maintained in the next financial year

DIRECTORS

The directors in office during the year are listed below. Both served on the board throughout the year

A R Heygate
P M Heygate

DIRECTORS' RESPONSIBILITIES

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

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

HEYGATE GRAIN LIMITED
DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES - CONTINUED

In preparing these financial statements, the directors are required to

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

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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

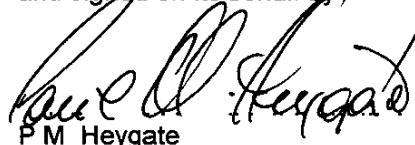
We, the directors of the company who held office at the date of approval of these financial statements as set out above, each confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

A resolution 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 25th November, 2011
and signed on its behalf by


P M Heygate
Chairman

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HEYGATE GRAIN LIMITED

We have audited the financial statements of Heygate Grain Limited for the year ended 26th March, 2011 set out on pages 5 to 12. 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).

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 that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, 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 (APB'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 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 Annual Report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 26th March, 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
HEYGATE GRAIN LIMITED
(CONTINUED)

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



.....
Martin V. Field, F.C.A.
Senior Statutory Auditor
for and on behalf of
Clifford Roberts
Chartered Accountants and Statutory Auditors

Pacioli House
9 Brookfield
Duncan Close
Moulton Park
Northampton.
NN3 6WL

25th November, 2011

HEYGATE GRAIN LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 26TH MARCH, 2011

	Note	2011 £	2010 £
Turnover	2	56,473,669	48,967,179
Cost of sales		<u>(55,712,003)</u>	<u>(48,049,454)</u>
Gross profit		761,666	917,725
Distribution costs		(233,619)	(329,362)
Administrative expenses		<u>(341,813)</u>	<u>(377,989)</u>
		<u>(575,432)</u>	<u>(707,351)</u>
Profit on ordinary activities before taxation	4	186,234	210,374
Tax on profit on ordinary activities	5	<u>1,451</u>	<u>47,387</u>
Profit on ordinary activities after taxation	12	<u>£ 187,685</u>	<u>£ 257,761</u>

Continuing operations

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

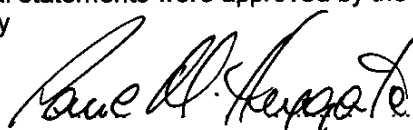
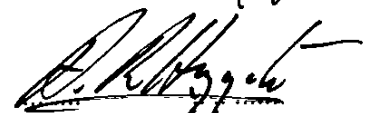
Total recognised gains and losses

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

HEYGATE GRAIN LIMITED**COMPANY NUMBER : 1522607****BALANCE SHEET AT 26TH MARCH, 2011**

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	6	49,001	57,389
Current assets			
Stocks	7	5,858,029	4,256,314
Debtors amounts falling due within one year	8	7,714,937	805,535
Cash at bank		-	2,841,654
		13,572,966	7,903,503
Creditors: amounts falling due within one year	9	<u>(11,526,159)</u>	<u>(6,051,318)</u>
Net current assets		<u>2,046,807</u>	<u>1,852,185</u>
Total assets less current liabilities		2,095,808	1,909,574
Provision for liabilities and charges			
Deferred taxation	10	(9,178)	(10,629)
Net assets		<u>£ 2,086,630</u>	<u>£ 1,898,945</u>
Capital and reserves			
Called up share capital	11	19,945	19,945
Share premium account		76,005	76,005
Profit and loss account		1,990,680	1,802,995
Shareholders' funds	12	<u>£ 2,086,630</u>	<u>£ 1,898,945</u>

These financial statements were approved by the Board on 25th November, 2011 and were signed on its behalf by

 P M Heygate)
 A R Heygate) Directors

The notes on pages 7 to 12 form part of these financial statements

HEYGATE GRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26TH MARCH, 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention on a basis consistent with prior years and in accordance with applicable Accounting Standards in the United Kingdom

Cashflow statement

The company has taken advantage of the provisions of FRS 1 - "Cash flow statements", whereby it is exempt from producing a cashflow statement as it is a wholly-owned subsidiary of a company whose consolidated financial statements are publicly available

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

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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated using the rate ruling at that date.

Pension and post employment benefits

In accordance with FRS 17 - "Retirement benefits", the operating and financing costs of pension and post-retirement schemes are recognised separately in the profit and loss account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise.

The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, are recognised in the statement of total recognised gains and losses.

The disclosures required by FRS 17 - "Retirement benefits" are given in note 17 to the financial statements.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax. Turnover is recognised upon evidence of delivery.

The turnover and pre-tax profit is wholly attributable to the merchanting and handling of grain within the United Kingdom to a fellow group company.

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26TH MARCH, 2011****3. STAFF COSTS**

	2011	2010
	£	£
Wages and salaries	34,544	51,262
Social security costs	3,310	4,912
	<u>£ 37,854</u>	<u>£ 56,174</u>

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

	No.	No.
	3	4
Handling and storage	<u>3</u>	<u>4</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011	2010
	£	£
This is stated after charging:		
Auditors' remuneration	15,000	15,000
Depreciation	8,388	8,452
Rent of buildings	<u>9,500</u>	<u>9,500</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011	2010
	£	£
a) Analysis of tax (credit) for the period		
Current tax		
UK corporation tax on profit for the period	-	59,914
Deferred tax movement	(1,451)	(983)
Overprovision in previous period	<u>-</u>	<u>(106,318)</u>
Tax (credit) on profit on ordinary activities	<u>£ (1,451)</u>	<u>£ (47,387)</u>
b) Factors affecting the tax charge for the period		
	2011	2010
	£	£
Profit on ordinary activities before tax	<u>186,234</u>	<u>210,374</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the U K of 28%	52,146	58,905
Effects of:		
Depreciation in excess of capital allowances	1,450	1,009
Group relief surrendered by fellow group companies	<u>(53,596)</u>	<u>-</u>
Current tax charge for the period	<u>£ -</u>	<u>£ 59,914</u>

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26TH MARCH, 2011****6. TANGIBLE FIXED ASSETS**

	Short leasehold buildings	Plant and machinery	Total
	£	£	£
Cost			
At 28th March, 2010	226,488	581,998	808,486
Additions	-	-	-
At 26th March, 2011	<u>£ 226,488</u>	<u>£ 581,998</u>	<u>£ 808,486</u>
Depreciation			
At 28th March, 2010	171,420	579,677	751,097
Charge for the year	6,184	2,204	8,388
At 26th March, 2011	<u>£ 177,604</u>	<u>£ 581,881</u>	<u>£ 759,485</u>
Net book amount			
At 26th March, 2011	<u>£ 48,884</u>	<u>£ 117</u>	<u>£ 49,001</u>
At 27th March, 2010	<u>£ 55,068</u>	<u>£ 2,321</u>	<u>£ 57,389</u>

7. STOCKS

	2011 £	2010 £
Purchases for resale	<u>5,858,029</u>	<u>4,256,314</u>

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

	2011 £	2010 £
Trade debtors	763,277	603,169
Amounts due from group companies		
Holding company and fellow subsidiaries	<u>6,951,660</u>	<u>202,366</u>
	<u>£ 7,714,937</u>	<u>£ 805,535</u>

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

	2011 £	2010 £
Bank overdraft	4,539,148	-
Trade creditors	6,822,124	4,167,108
Amounts due to group companies		
Holding company and fellow subsidiaries	136,467	1,824,296
Corporation tax	-	59,914
Other creditors	<u>28,420</u>	<u>-</u>
	<u>£11,526,159</u>	<u>£ 6,051,318</u>

HEYGATE GRAIN LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26TH MARCH, 2011****10. DEFERRED TAXATION**

	2011	2010
	£	£
Accelerated capital allowances		
Balance at 28th March, 2010	10,629	11,612
Transfer to profit and loss account	<u>(1,451)</u>	<u>(983)</u>
Balance at 26th March, 2011	<u><u>£ 9,178</u></u>	<u><u>£ 10,629</u></u>

11. SHARE CAPITAL

	2011	2010
	£	£
Allotted, called up and fully paid		
19,945 ordinary shares of £1 each	<u><u>19,945</u></u>	<u><u>19,945</u></u>

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

	2011	2010
	£	£
Profit on ordinary activities after taxation	187,685	257,761
Opening shareholders' funds at 28th March, 2010	<u>1,898,945</u>	<u>1,641,184</u>
Closing shareholders' funds at 26th March, 2011	<u><u>£ 2,086,630</u></u>	<u><u>£ 1,898,945</u></u>

13. CAPITAL COMMITMENTS

There were no capital commitments at 26th March, 2011 or 27th March, 2010

14. OTHER FINANCIAL COMMITMENTS

At 26th March, 2011 the company had minimum annual commitments under non-cancellable operating leases as follows -

	2011	2010
	£	£
Leases in respect of land and buildings which expire		
After more than five years	<u><u>9,500</u></u>	<u><u>9,500</u></u>

HEYGATE GRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26TH MARCH, 2011

15. 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

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

There is a contingent liability in respect of an unlimited multilateral guarantee, dated the 31st July, 2008, covering the bank overdrafts of the company, its holding company and the following fellow subsidiaries

Heygates Limited	F A Bird (Downham Mills) Limited
The Heygate Engineering Company Limited	Heygate Farms Swaffham Limited
Fine Lady Bakeries Limited	Millstream Investments Limited
County Pride Products Limited	Warburton Estate Company Limited
Heygate Leasing Limited	

The maximum amount payable was the net overdraft of the group at 26th March, 2011

16. ULTIMATE HOLDING COMPANY

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

17. PENSION ARRANGEMENTS

The long-serving employees of the company, with the exception of the two 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 for current members and was closed to new members on 1st October, 2002, and on the 30th September, 2010 the scheme ceased further accruals of pensionable service

For all employees starting employment since 2nd October, 2002, and for existing scheme members in relation to pensionable service from 1st October, 2010, the group has a separate plan within the scheme which provides defined contribution benefits. The assets of the scheme are held in trustee administered funds separate from the company's assets

The total pension cost to the company for the year was £nil (2010 - £nil)

The level of contributions to the scheme is assessed in accordance with the advice of an independent, qualified actuary and is calculated so as to spread the charge to profit and loss account over the average service periods of current employees in the scheme. The scheme is valued using the projected unit method

The most recent actuarial valuation was carried out on 1st October, 2008

As the defined benefit scheme has been closed to new entrants, the age profile of active members is increasing over time. Under the projected unit method, the current service cost will increase as active members of the scheme approach retirement. As a result of the cessation of further accruals of pensionable service the costs of funding the liability to pay future pensions to serving members will decrease

The disclosures required under FRS 17 are contained within the financial statements of the sponsoring company of the scheme, Heygates Limited (a wholly-owned subsidiary of Heygate and Sons Limited), and in the group financial statements of Heygate and Sons Limited and its subsidiary companies

HEYGATE GRAIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26TH MARCH, 2011

18. RELATED PARTY DISCLOSURES

Ultimate controlling party

The directors consider that the ultimate controlling party of the company is its parent company, Heygate and Sons Limited, which owns 100% of the voting issued share capital. Heygate and Sons Limited has a controlling nucleus of directors, Mr A R Heygate and Mr P M Heygate, who together own 10% of the voting issued ordinary share capital personally, and 47.94% of the voting issued ordinary share capital, as principal trustees of family trusts.

Mrs D Haines, sister of Mr P M Heygate and cousin of Mr A R Heygate, 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 and Mrs D Haines are participators, in the sum of £9,500 (2010 - £9,500). All rentals charged to the company were on an arm's length commercial basis.

During the year the company purchased grain from Heygate and Sons (Farmers), a partnership in which Mr A R Heygate, Mr P M Heygate and Mrs D Haines are partners, in the sum of £821,028 (2010 - £378,368). The company also purchased administration services from a fellow, wholly-owned subsidiary, in the sum of £219,135 (2010 - £210,415). These transactions were undertaken at arm's length on normal commercial terms.

Balances due to/from related parties

At 26th March, 2011 there were the following balances outstanding with other group companies:

Included in debtors: amounts falling due within one year:

	2011	2010
	£	£
Due from holding company	550,615	202,366
Due from fellow subsidiaries	<u>6,401,045</u>	<u>-</u>

At 26th March, 2011 there were the following balances owing to group companies and other related entities:

Included in creditors: amounts falling due within one year:

	2011	2010
	£	£
Due to fellow subsidiaries	<u>136,467</u>	<u>1,824,296</u>

The directors have taken advantage of the exemption contained in FRS 8 "Related Party Disclosures", from disclosing transactions with entities that are subsidiaries or investees in the group on the grounds that the company qualifies for the exemption as it is a wholly-owned subsidiary of Heygate & Sons Limited.