

Strategic Report, Report of the Directors and

Financial Statements

for the Period 3 April 2016 to 1 April 2017

for

Heygate Grain Limited

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for the period 3 April 2016 to 1 April 2017

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Heygate Grain Limited
Company Information
for the period 3 April 2016 to 1 April 2017

DIRECTORS:	A R Heygate P M Heygate
SECRETARY:	S K Y Chia
REGISTERED OFFICE:	Bugbrooke Mills Bugbrooke Northamptonshire NN7 3QH
REGISTERED NUMBER:	01522607 (England and Wales)
AUDITORS:	Clifford Roberts Chartered Accountants & Statutory Auditors Pacioli House 9 Brookfield Duncan Close Northampton Northamptonshire NN3 6WL
BANKERS:	HSBC Bank plc Home and Eastern Counties Corporate Banking Centre Level 6 Metropolitan House CBX3 Avebury Boulevard Milton Keynes MK9 2GA

Strategic Report
for the period 3 April 2016 to 1 April 2017

The directors present their strategic report for the period 3 April 2016 to 1 April 2017.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the purchase of UK 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 BUSINESS

Despite a small decrease in volume year on year, turnover is up slightly as the price of UK grain has risen by a small amount. The slight increase in turnover, combined with small savings on both distribution and administrative expenses has resulted in an increased operating profit.

PRINCIPAL RISKS AND UNCERTAINTIES

The company does not have significant exposure to foreign currency, liquidity, cash flow or interest rate risks due to the nature of its trade. Exposure to credit and other price risks arise in the normal course of Heygate Grain Limited's business. These risks are limited by the company's financial management policies described below.

Credit risk

Heygate Grain Limited is a member of the Heygate and Sons Limited Group of companies and sells wheat and barley predominantly to group companies; the company therefore has limited exposure to credit risk outside the group.

Other price risk

The company is exposed to the fluctuation in global grain prices and the ability to source milling wheat of consistently high quality. Weather and market conditions around the world have seen global grain prices rise in the year having an impact on the turnover as described above.

Strategic Report
for the period 3 April 2016 to 1 April 2017

ANALYSIS OF DEVELOPMENTS AND PERFORMANCE

The directors are satisfied with the performance of the company during the year and its position as at the 1st April, 2017

The key performance indicators (KPI's) used in monitoring the company's performance are:

1. Organic sales growth - year on year percentage change in sales revenue.
2. Gross return on sales - gross profit as a percentage of sales revenue.
3. Net return on sales - profit/(loss) on ordinary activities before taxation and before non-recurring items and income from other fixed asset investments, as a percentage of sales revenue.
4. Return on net assets - profit/(loss) on ordinary activities before taxation and before non-recurring items and income from other fixed asset investments, as a percentage of net assets.
5. Free cash flow - comprises the net cash flows from operating activities, less cash outflows due to capital expenditure.

KEY PERFORMANCE INDICATORS (KPI's)

	2017	2016
Organic sales growth/(decline)	0.15%	(12.09%)
Gross return on sales	1.08%	0.97%
Net return on sales	0.37%	0.23%
Return on net assets	6.55%	4.40%
Free cash flow	£8.021m	£1.002m

ON BEHALF OF THE BOARD:



P M Heygate - Director

12 December 2017

Report of the Directors
for the period 3 April 2016 to 1 April 2017

The directors present their report with the financial statements of the company for the period 3 April 2016 to 1 April 2017.

DIVIDENDS

There was a profit on ordinary activities after taxation for the year amounting to £158,704 (2016 - £127,241). The directors have not recommended a dividend in respect of the year ended 1st April, 2017 and one was not paid in the period.

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 shown below have held office during the whole of the period from 3 April 2016 to the date of this report.

A R Heygate
P M Heygate

DISCLOSURE IN THE STRATEGIC REPORT

Principal activity, financial risk management objectives and policies and the exposure to foreign currency, credit, liquidity and other price risk are set out in the strategic report (as defined by section 414 C (11) of the Companies Act 2006).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make 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 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 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 company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Heygate Grain Limited (Registered number: 01522607)

Report of the Directors
for the period 3 April 2016 to 1 April 2017

AUDITORS

The auditors, Clifford Roberts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P M Heygate', with a long horizontal flourish extending to the right.

P M Heygate - Director

12 December 2017

Report of the Independent Auditors to the Members of
Heygate Grain Limited

We have audited the financial statements of Heygate Grain Limited for the period ended 1 April 2017 on pages eight to nineteen. 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 four, 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 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 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 company's affairs as at 1 April 2017 and of its profit for the period 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, based on the work undertaken in the course of our audit, the information given in the 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

Report of the Independent Auditors to the Members of
Heygate Grain Limited

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 the information and explanations we require for our audit.



Martin Field FCA (Senior Statutory Auditor)
for and on behalf of Clifford Roberts
Chartered Accountants &
Statutory Auditors
Pacioli House
9 Brookfield
Duncan Close
Northampton
Northamptonshire
NN3 6WL

12 December 2017

Heygate Grain Limited (Registered number: 01522607)

Income Statement
for the period 3 April 2016 to 1 April 2017

	Notes	Period 3.4.16 to 1.4.17		Period 29.3.15 to 2.4.16	
		£	£	£	£
TURNOVER			54,420,002		54,338,555
Cost of sales			53,833,923		53,810,994
GROSS PROFIT			586,079		527,561
Distribution costs		100,956		110,679	
Administrative expenses		285,577		289,889	
			386,533		400,568
OPERATING PROFIT and PROFIT BEFORE TAXATION	4		199,546		126,993
Tax on profit	5		40,842		(248)
PROFIT FOR THE FINANCIAL PERIOD			158,704		127,241

The notes form part of these financial statements

Heygate Grain Limited (Registered number: 01522607)

Other Comprehensive Income
for the period 3 April 2016 to 1 April 2017

	Notes	Period 3.4.16 to 1.4.17 £	Period 29.3.15 to 2.4.16 £
PROFIT FOR THE PERIOD		158,704	127,241
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>158,704</u>	<u>127,241</u>

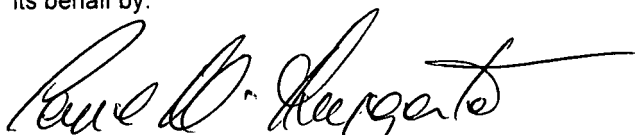
The notes form part of these financial statements

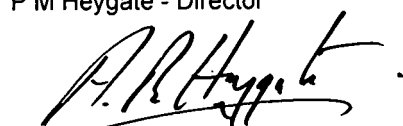
Heygate Grain Limited (Registered number: 01522607)

Balance Sheet
1 April 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	6	109,035	133,189
CURRENT ASSETS			
Debtors	7	1,329,151	7,041,007
Cash at bank		8,516,752	495,424
		<u>9,845,903</u>	<u>7,536,431</u>
CREDITORS			
Amounts falling due within one year	8	<u>6,902,967</u>	<u>4,775,706</u>
NET CURRENT ASSETS		<u>2,942,936</u>	<u>2,760,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,051,971</u>	<u>2,893,914</u>
PROVISIONS FOR LIABILITIES	11	<u>5,695</u>	<u>6,342</u>
NET ASSETS		<u><u>3,046,276</u></u>	<u><u>2,887,572</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	19,945	19,945
Share premium	13	76,005	76,005
Retained earnings	13	<u>2,950,326</u>	<u>2,791,622</u>
SHAREHOLDERS' FUNDS		<u><u>3,046,276</u></u>	<u><u>2,887,572</u></u>

The financial statements were approved by the Board of Directors on 12 December 2017 and were signed on its behalf by:


P M Heygate - Director


A R Heygate - Director

The notes form part of these financial statements

Heygate Grain Limited (Registered number: 01522607)

Statement of Changes in Equity
for the period 3 April 2016 to 1 April 2017

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 29 March 2015	19,945	2,664,381	76,005	2,760,331
Changes in equity				
Total comprehensive income	-	127,241	-	127,241
Balance at 2 April 2016	19,945	2,791,622	76,005	2,887,572
Changes in equity				
Total comprehensive income	-	158,704	-	158,704
Balance at 1 April 2017	19,945	2,950,326	76,005	3,046,276

The notes form part of these financial statements

Notes to the Financial Statements
for the period 3 April 2016 to 1 April 2017

1. PRINCIPAL PLACE OF BUSINESS

Heygate Grain Limited is a private company, limited by shares, incorporated and domiciled in England and has its registered office and principal place of business at Bugbrooke Mills, Bugbrooke, Northampton, NN7 3QH. The company's registered number can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£) and cover the period to the Saturday that falls closest to the 31st March each year. This results in the comparatives being not entirely comparable.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A.

Details of the parent company in which full disclosure can be found are contained in the 'Ultimate Controlling Party' note.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is revenue earned from the sale of goods and is recognised on evidence of delivery to the customer.

The turnover and pretax profit is wholly attributable to the merchanting and handling of grain within the United Kingdom to fellow group companies.

Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Short leasehold	- 3% on cost
Plant and machinery	- 10% on cost

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

Financial instruments

Heygate Grain Limited enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and balances to and from related parties.

Debt instruments (other than those wholly repayable or receivable in one year), including loans and other accounts receivable and payable, are initially measured at the present value of future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective impairment is found, an impairment loss is recognised in the income statement.

Derivatives, including futures, are not considered basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit and loss in finance costs or income as appropriate.

Leasing commitments

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017

2. ACCOUNTING POLICIES - continued

Pension and post employment benefits

In accordance with FRS 102 Section 28 - 'Employee 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 other comprehensive income.

The disclosure required by FRS 102 Section 28 - 'Employee benefits' are given in the pension commitments note.

3. EMPLOYEES AND DIRECTORS

	Period 3.4.16 to 1.4.17 £	Period 29.3.15 to 2.4.16 £
Wages and salaries	84,327	84,504
Social security costs	8,250	8,250
	<u>92,577</u>	<u>92,754</u>

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

	Period 3.4.16 to 1.4.17	Period 29.3.15 to 2.4.16
Handling and storage	<u>2</u>	<u>2</u>

	Period 3.4.16 to 1.4.17 £	Period 29.3.15 to 2.4.16 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 3.4.16 to 1.4.17 £	Period 29.3.15 to 2.4.16 £
Depreciation - owned assets	24,144	24,152
Profit on disposal of fixed assets	(1,490)	-
Auditors' remuneration	15,700	15,400
Rent of buildings	<u>3,500</u>	<u>3,500</u>

Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017

5. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the period was as follows:

	Period 3.4.16 to 1.4.17 £	Period 29.3.15 to 2.4.16 £
Current tax:		
UK corporation tax	41,489	-
Deferred tax	(647)	(248)
Tax on profit	<u>40,842</u>	<u>(248)</u>

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

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 3.4.16 to 1.4.17 £	Period 29.3.15 to 2.4.16 £
Profit before tax	<u>199,546</u>	<u>126,993</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	39,909	25,399
Effects of:		
Depreciation in excess of capital allowances	1,878	1,166
Group relief surrendered by fellow group companies	-	(26,565)
Deferred tax movement	(647)	(248)
Profit on disposal of assets	(298)	-
Total tax charge/(credit)	<u>40,842</u>	<u>(248)</u>

**Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017**

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 3 April 2016	226,488	721,492	947,980
Disposals	(23,999)	(12,910)	(36,909)
At 1 April 2017	202,489	708,582	911,071
DEPRECIATION			
At 3 April 2016	208,484	606,307	814,791
Charge for period	6,156	17,988	24,144
Eliminated on disposal	(23,995)	(12,904)	(36,899)
At 1 April 2017	190,645	611,391	802,036
NET BOOK VALUE			
At 1 April 2017	11,844	97,191	109,035
At 2 April 2016	18,004	115,185	133,189

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	911,947	370,016
Amounts owed by group undertakings	417,204	6,670,991
	<u>1,329,151</u>	<u>7,041,007</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	6,422,242	4,420,588
Amounts owed to group undertakings	387,285	318,617
Tax	41,489	-
Other creditors	18,025	21,101
Accruals and deferred income	33,926	15,400
	<u>6,902,967</u>	<u>4,775,706</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year	<u>3,500</u>	<u>3,500</u>

10. FINANCIAL INSTRUMENTS

Heygates Grain Limited hold no financial instruments measured at fair value through profit and loss and therefore have no related income, expense, net gains or losses.

Heygate Grain Limited (Registered number: 01522607)

**Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017**

11. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>5,695</u>	<u>6,342</u>
		Deferred tax
		£
Balance at 3 April 2016		6,342
Credit to Income Statement during period		<u>(647)</u>
Balance at 1 April 2017		<u>5,695</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017 £	2016 £
19,945	Ordinary shares	£1	<u>19,945</u>	<u>19,945</u>

The ordinary shares are entitled to voting rights, a dividend and any surplus on winding up.

Called up share capital

This represents the nominal value of shares that have been issued.

13. RESERVES

	Retained earnings £	Share premium £	Totals £
At 3 April 2016	2,791,622	76,005	2,867,627
Profit for the period	<u>158,704</u>	<u>-</u>	<u>158,704</u>
At 1 April 2017	<u>2,950,326</u>	<u>76,005</u>	<u>3,026,331</u>

Share premium

This reserve represents the surplus income above nominal value on the previous issue of share capital.

Retained earnings

This reserve includes all current and prior period retained profit and losses.

Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017

14. PENSION COMMITMENTS

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

The assets of the scheme are held in trustee administered funds separate from the company's assets.

The level of contributions to the defined benefit 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 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, 2014.

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 102 Section 28 'Employee Benefits' 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.

An actuary has been instructed to carry out the 1st October, 2017 triennial valuation, the results of which are being awaited.

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 from the scheme which provides defined contribution benefits. The assets of the plan are held separately from those of the company in independently administered funds.

The total pension cost for the company for the year was £nil (2016 - £nil).

15. CONTINGENT LIABILITIES

There is a contingent liability in respect of an unlimited multilateral guarantee, dated 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 Estates Company
Heygate Leasing Limited	Heygates Country Feeds Limited

The maximum amount payable was the net overdraft of the group at each period end.

16. RELATED PARTY DISCLOSURES

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

	2017	2016
	£	£
Compensation	92,577	92,754

Heygate Grain Limited (Registered number: 01522607)

Notes to the Financial Statements - continued
for the period 3 April 2016 to 1 April 2017

16. RELATED PARTY DISCLOSURES - continued

Other related parties

	2017	2016
	£	£
Purchases	314,852	728,776
Rent	3,500	3,500
Proceeds from sale of assets	1,500	-
Amount due to related party	-	92,325
	<u> </u>	<u> </u>

17. AUDITOR LIABILITY LIMITATION AGREEMENT

On the 15th December, 2016, a resolution was passed by the Heygate and Sons Limited group of companies entering into an agreement limiting the amount of any liability owed to the group of companies by the auditor in respect of any negligence, default or breach of duty occurring in the course of the audit of the financial statements for the year ending 1st April, 2017.

The maximum aggregate amount of the auditor's liability to the group of companies shall not exceed the sum of twenty-five times the fees payable for the financial year in question, or £5,000,000, which ever is the lesser amount.

18. ULTIMATE CONTROLLING PARTY

The directors consider that the ultimate parent company is Heygate and Sons Limited, which owns 100% of its issued ordinary share capital. Heygates and Sons Limited is a company registered in England that shares the same registered office as Heygate Grain Limited.

Heygate and Sons Limited has a controlling nucleus of directors; Mr AR Heygate and Mr PM 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.

Heygates and Sons Limited consolidated financial statements are available at Companies House.

Mrs D Haines, sister of Mr PM Heygate and cousin of Mr AR 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.

Following the year end, sadly Mrs D Haines passed away on the 9th November, 2017.