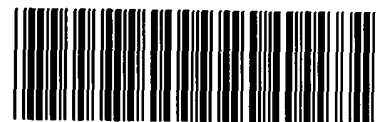


Strategic Report, Report of the Directors and
Financial Statements
for the Period 2 April 2017 to 31 March 2018
for
Heygate Grain Limited

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for the period 2 April 2017 to 31 March 2018

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Heygate Grain Limited
Company Information
for the period 2 April 2017 to 31 March 2018

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

Heygate Grain Limited (Registered number: 01522607)

Strategic Report
for the period 2 April 2017 to 31 March 2018

The directors present their strategic report for the period 2 April 2017 to 31 March 2018.

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, Downham Market and Icklingham sites and for sale to third parties.

REVIEW OF BUSINESS

There has been a considerable increase in turnover during the year due to a number of reasons. Like for like demand from three sites increased and in June a fourth site at Icklingham was acquired. In addition, the price of grain also increased during the year, compounding the increase in tonnes bought and sold. Despite the increase in turnover, the gross margin decreased and cost savings could not offset the drop in gross profit, resulting in a lower profit before tax.

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 other grain products 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 contributing to the increase in turnover as described above.

Heygate Grain Limited (Registered number: 01522607)

Strategic Report
for the period 2 April 2017 to 31 March 2018

ANALYSIS OF DEVELOPMENTS AND PERFORMANCE

The directors are satisfied with the performance of the company during the year and its position as at the 31st March, 2018.

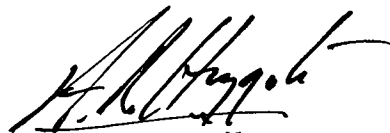
The key performance indicators (KPI's) used in monitoring the company's performance are:

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)

	2018	2017
Organic sales growth/(decline)	37.41%	0.15%
Gross return on sales	0.69%	1.08%
Net return on sales	0.22%	0.37%
Return on net assets	5.08%	6.55%
Free cash flow	(£3,189k)	£8,021k

ON BEHALF OF THE BOARD:



A R Heygate - Director

5 December 2018

Report of the Directors
for the period 2 April 2017 to 31 March 2018

The directors present their report with the financial statements of the company for the period 2 April 2017 to 31 March 2018.

DIVIDENDS

There was a profit on ordinary activities after taxation for the period amounting to £149,081 (2017 - £158,704). The directors have not recommended a dividend in respect of the period ended 31st March, 2018 and no dividend was paid in respect of the prior 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 2 April 2017 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 credit 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 2 April 2017 to 31 March 2018

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 'A R Heygate', with a long horizontal flourish extending to the right.

A R Heygate - Director

5 December 2018

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

Opinion

We have audited the financial statements of Heygate Grain Limited (the 'company') for the period ended 31 March 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



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

5 December 2018

Heygate Grain Limited (Registered number: 01522607)

Income Statement
for the period 2 April 2017 to 31 March 2018

	Notes	Period 2.4.17 to 31.3.18		Period 3.4.16 to 1.4.17	
		£	£	£	£
TURNOVER			74,781,245		54,420,002
Cost of sales			74,263,995		53,833,923
GROSS PROFIT			517,250		586,079
Distribution costs		78,071		100,956	
Administrative expenses		277,052		285,577	
			355,123		386,533
OPERATING PROFIT	4		162,127		199,546
Interest receivable and similar income			272		-
PROFIT BEFORE TAXATION			162,399		199,546
Tax on profit	5		13,218		40,842
PROFIT FOR THE FINANCIAL PERIOD			149,181		158,704

The notes form part of these financial statements

Heygate Grain Limited (Registered number: 01522607)

Other Comprehensive Income
for the period 2 April 2017 to 31 March 2018

	Notes	Period 2.4.17 to 31.3.18 £	Period 3.4.16 to 1.4.17 £
PROFIT FOR THE PERIOD		149,181	158,704
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>149,181</u>	<u>158,704</u>

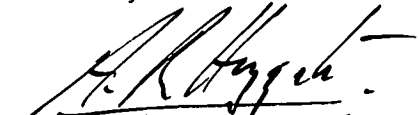
The notes form part of these financial statements

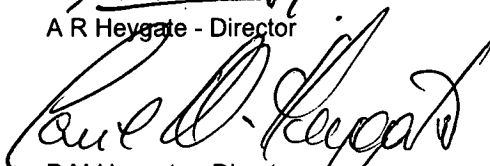
Heygate Grain Limited (Registered number: 01522607)

Balance Sheet
31 March 2018

	Notes	2018	2017
		£	£
FIXED ASSETS			
Tangible assets	6	84,913	109,035
CURRENT ASSETS			
Debtors	7	4,632,938	1,329,151
Cash at bank		5,328,112	8,516,752
		<u>9,961,050</u>	<u>9,845,903</u>
CREDITORS			
Amounts falling due within one year	8	6,845,930	6,902,967
		<u>6,845,930</u>	<u>6,902,967</u>
NET CURRENT ASSETS		3,115,120	2,942,936
TOTAL ASSETS LESS CURRENT LIABILITIES		3,200,033	3,051,971
PROVISIONS FOR LIABILITIES	11	4,576	5,695
NET ASSETS		<u>3,195,457</u>	<u>3,046,276</u>
CAPITAL AND RESERVES			
Called up share capital	12	19,945	19,945
Share premium	13	76,005	76,005
Retained earnings	13	3,099,507	2,950,326
SHAREHOLDERS' FUNDS		<u>3,195,457</u>	<u>3,046,276</u>

The financial statements were approved by the Board of Directors on 5 December 2018 and were signed on its behalf by:


A R Heygate - Director


P M Heygate - Director

The notes form part of these financial statements

Heygate Grain Limited (Registered number: 01522607)

Statement of Changes in Equity
for the period 2 April 2017 to 31 March 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 3 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
Changes in equity				
Total comprehensive income	-	149,181	-	149,181
Balance at 31 March 2018	19,945	3,099,507	76,005	3,195,457

The notes form part of these financial statements

Notes to the Financial Statements
for the period 2 April 2017 to 31 March 2018

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

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

Notes to the Financial Statements - continued
for the period 2 April 2017 to 31 March 2018

2. ACCOUNTING POLICIES - continued

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.

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.

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, loans 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.

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.

Heygate Grain Limited (Registered number: 01522607)

Notes to the Financial Statements - continued
for the period 2 April 2017 to 31 March 2018

3. EMPLOYEES AND DIRECTORS

	Period 2.4.17 to 31.3.18 £	Period 3.4.16 to 1.4.17 £
Wages and salaries	81,480	84,327
Social security costs	8,250	8,250
	<u>89,730</u>	<u>92,577</u>

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

	Period 2.4.17 to 31.3.18	Period 3.4.16 to 1.4.17
Handling and storage	<u>2</u>	<u>2</u>

	Period 2.4.17 to 31.3.18 £	Period 3.4.16 to 1.4.17 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

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

	Period 2.4.17 to 31.3.18 £	Period 3.4.16 to 1.4.17 £
Depreciation - owned assets	24,122	24,144
Profit on disposal of fixed assets	-	(1,490)
Auditors' remuneration	15,700	15,700
Rent of buildings	<u>3,500</u>	<u>3,500</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 2.4.17 to 31.3.18 £	Period 3.4.16 to 1.4.17 £
Current tax:		
UK corporation tax	14,337	41,489
Deferred tax	<u>(1,119)</u>	<u>(647)</u>
Tax on profit	<u>13,218</u>	<u>40,842</u>

**Notes to the Financial Statements - continued
for the period 2 April 2017 to 31 March 2018**

5. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	Period 2.4.17 to 31.3.18 £	Period 3.4.16 to 1.4.17 £
Profit before tax	<u>162,399</u>	<u>199,546</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	30,856	39,909
Effects of:		
Depreciation in excess of capital allowances	2,284	1,878
Losses received under group relief	(18,803)	-
Deferred tax (credit)	(1,119)	(647)
(Profit) on disposal of assets	-	(298)
Total tax charge	<u>13,218</u>	<u>40,842</u>

6. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 2 April 2017 and 31 March 2018	<u>202,489</u>	<u>708,582</u>	<u>911,071</u>
DEPRECIATION			
At 2 April 2017	190,645	611,391	802,036
Charge for period	<u>6,135</u>	<u>17,987</u>	<u>24,122</u>
At 31 March 2018	<u>196,780</u>	<u>629,378</u>	<u>826,158</u>
NET BOOK VALUE			
At 31 March 2018	<u>5,709</u>	<u>79,204</u>	<u>84,913</u>
At 1 April 2017	<u>11,844</u>	<u>97,191</u>	<u>109,035</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	245,231	911,947
Amounts owed by group undertakings	4,387,636	417,204
VAT	71	-
	<u>4,632,938</u>	<u>1,329,151</u>

Heygate Grain Limited (Registered number: 01522607)

**Notes to the Financial Statements - continued
for the period 2 April 2017 to 31 March 2018**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	6,593,836	6,422,242
Amounts owed to group undertakings	205,011	387,285
Tax	14,236	41,489
Other creditors	17,147	18,025
Accruals and deferred income	15,700	33,926
	<u>6,845,930</u>	<u>6,902,967</u>

9. LEASING AGREEMENTS

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

	2018	2017
	£	£
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.

11. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Accelerated capital allowances	<u>4,576</u>	<u>5,695</u>
		Deferred tax
		£
Balance at 2 April 2017		5,695
Provided during period		<u>(1,119)</u>
Balance at 31 March 2018		<u>4,576</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
19,945	Ordinary shares	£1	<u>19,945</u>	<u>19,945</u>

Called up share capital

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

Notes to the Financial Statements - continued
for the period 2 April 2017 to 31 March 2018

13. RESERVES

	Retained earnings £	Share premium £	Totals £
At 2 April 2017	2,950,326	76,005	3,026,331
Profit for the period	149,181	-	149,181
At 31 March 2018	<u>3,099,507</u>	<u>76,005</u>	<u>3,175,512</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.

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, 2017.

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.

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 (2017 - £nil).

Heygate Grain Limited (Registered number: 01522607)

Notes to the Financial Statements - continued
for the period 2 April 2017 to 31 March 2018

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)

	2018	2017
	£	£
Compensation	83,250	83,250

Key management is considered to be the grain buyer of Heygate Grain Limited.

Other related parties

	2018	2017
	£	£
Purchases	734,811	314,852
Rent	3,500	3,500
Proceeds from sale of assets	-	1,500

17. AUDITOR LIABILITY LIMITATION AGREEMENT

On the 12th December, 2017, 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 31st March, 2018.

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 63.39% 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.