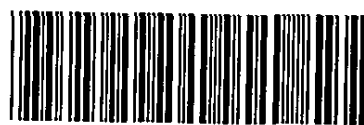


**OAKES MILLERS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2011**

TUESDAY



A07      \*A19FWHWG\*      #269  
22/05/2012  
COMPANIES HOUSE

**OAKES MILLERS LIMITED (REGISTERED NUMBER: 333467)**

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FOR THE YEAR ENDED 31 AUGUST 2011**

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**OAKES MILLERS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 AUGUST 2011**

---

**DIRECTORS:**

J E Lea  
A Preston  
M J Jepson  
D Warr  
D H Fox  
K Jamieson  
J J Lea

**SECRETARY:**

A Rowe

**REGISTERED OFFICE:**

Aston Mill  
Aston  
Near Nantwich  
Cheshire  
CW5 8DH

**REGISTERED NUMBER:**

333467

**AUDITORS:**

Harold Sharp  
Statutory Auditors and Chartered Accountants  
Holland House  
1-5 Oakfield  
Sale  
Cheshire  
M33 6TT

**OAKES MILLERS LIMITED (REGISTERED NUMBER. 333467)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2011**

---

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2011

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of animal feed manufacture

**REVIEW OF BUSINESS**

The results for the year and financial position of the Company and Group are set out in the financial statements

The market in which the Group operates has continued to be highly competitive with volatile commodity markets coupled with a substantial over-capacity, all combining to make the year challenging

The results are a tribute to the professionalism, hard work and effort of all the staff

The Group has nevertheless continued to invest in its production and distribution facilities and, with two of the most modern and up-to-date mills in the UK, is well placed to take advantage of opportunities as and when they arise

**DIVIDENDS**

No dividends will be distributed for the year ended 31 August 2011

**FIXED ASSETS**

Details of movements in fixed assets are shown in the notes to the financial statements

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2010 to the date of this report

J E Lea  
A Preston  
M J Jepson  
D Warr  
D H Fox  
K Jamieson  
J J Lea

**FINANCIAL RISK MANAGEMENT**

The company and group's exposure to risk on the price of its raw material is, in the opinion of the directors, managed by the use of contracts with suppliers which are negotiated at the start of each growing season. Any requirements over the contracted amounts, or in the event of an unexpectedly poor growing season, are purchased on the open market at market prices.

The company and group's exposure to risk on credit is managed effectively through the company and group's normal credit terms.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2011**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 the group and of the profit or loss of the group 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,
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

**AUDITORS**

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

**ON BEHALF OF THE BOARD**



A Rowe - Secretary

Date

4/11/11

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OAKES MILLERS LIMITED**

---

We have audited the financial statements of Oakes Millers Limited for the year ended 31 August 2011 on pages six to twenty three. 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 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 three, 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 group's and the parent 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 financial statements 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 group's and of the parent company's affairs as at 31 August 2011 and of the group's 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
OAKES MILLERS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

*Harold Sharp*

Christopher Wrighton (Senior Statutory Auditor)  
for and on behalf of Harold Sharp  
Statutory Auditors and Chartered Accountants  
Holland House  
1-5 Oakfield  
Sale  
Cheshire  
M33 6TT

Date      9 November 2011

**OAKES MILLERS LIMITED (REGISTERED NUMBER: 333467)****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>	2	73,646,865	55,301,335
Cost of sales		60,017,848	44,241,715
<b>GROSS PROFIT</b>		13,629,017	11,059,620
Distribution costs		6,317,238	5,387,861
Administrative expenses		6,046,938	5,427,438
		12,364,176	10,815,299
		1,264,841	244,321
Other operating income		36,117	17,460
<b>OPERATING PROFIT</b>	4	1,300,958	261,781
Interest receivable and similar income		2,610	199
		1,303,568	261,980
Interest payable and similar charges	5	95,640	64,197
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,207,928	197,783
Tax on profit on ordinary activities	6	408,271	67,994
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		799,657	129,789

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

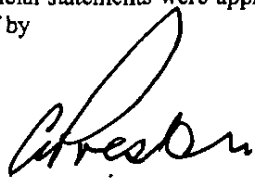


**OAKES MILLERS LIMITED (REGISTERED NUMBER 333467)**

**CONSOLIDATED BALANCE SHEET**  
**31 AUGUST 2011**

		2011	2010
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	-	22,312
Tangible assets	9	3,388,604	2,327,918
Investments	10	22,800	22,800
		<u>3,411,404</u>	<u>2,373,030</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,935,376	1,753,515
Debtors	12	7,809,499	6,293,450
Cash at bank and in hand		5,817	4,610
		<u>10,750,692</u>	<u>8,051,575</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	9,913,572	6,905,105
<b>NET CURRENT ASSETS</b>		<u>837,120</u>	<u>1,146,470</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,248,524</u>	<u>3,519,500</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(300,000)	(300,000)
<b>PROVISIONS FOR LIABILITIES</b>	18	(54,146)	(124,779)
<b>NET ASSETS</b>		<u><u>3,894,378</u></u>	<u><u>3,094,721</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	32,800	32,800
Capital reserve	20	329,652	329,652
Other reserves	20	157	157
Profit and loss account	20	3,531,769	2,732,112
<b>SHAREHOLDERS' FUNDS</b>	25	<u><u>3,894,378</u></u>	<u><u>3,094,721</u></u>

The financial statements were approved by the Board of Directors on its behalf by



A Preston - Director

4/11/11

and were signed on

The notes form part of these financial statements

**OAKES MILLERS LIMITED (REGISTERED NUMBER: 333467)**

**COMPANY BALANCE SHEET  
31 AUGUST 2011**

		2011		2010	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		22,312
Tangible assets	9		2,963,804		2,012,952
Investments	10		40,500		40,500
			<u>3,004,304</u>		<u>2,075,764</u>
<b>CURRENT ASSETS</b>					
Stocks	11	2,413,449		1,362,909	
Debtors	12	5,693,768		4,699,069	
Cash at bank and in hand		3,733		1,786	
		<u>8,110,950</u>		<u>6,063,764</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	7,783,915		5,559,395	
<b>NET CURRENT ASSETS</b>			<u>327,035</u>		<u>504,369</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,331,339</u>		<u>2,580,133</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(300,000)		(300,000)
<b>PROVISIONS FOR LIABILITIES</b>	18		(44,180)		(117,190)
<b>NET ASSETS</b>			<u>2,987,159</u>		<u>2,162,943</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		32,800		32,800
Other reserves	20		157		157
Profit and loss account	20		2,954,202		2,129,986
<b>SHAREHOLDERS' FUNDS</b>	25		<u>2,987,159</u>		<u>2,162,943</u>

The notes form part of these financial statements

OAKES MILLERS LIMITED (REGISTERED NUMBER: 333467)

COMPANY BALANCE SHEET - continued  
31 AUGUST 2011

---

The financial statements were approved by the Board of Directors on  
its behalf by

24/11/11

and were signed on



A Preston - Director

The notes form part of these financial statements

**OAKES MILLERS LIMITED (REGISTERED NUMBER: 333467)**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2011**

		2011	2010
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	1,220,156	1,462,932
<b>Returns on investments and servicing of finance</b>	2	(93,030)	(63,998)
<b>Taxation</b>		(278,465)	(198,702)
<b>Capital expenditure</b>	2	(1,800,604)	(265,417)
		(951,943)	934,815
<b>Financing</b>	2	(100,000)	(100,000)
<b>(Decrease)/Increase in cash in the period</b>		(1,051,943)	834,815
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
(Decrease)/Increase in cash in the period		(1,051,943)	834,815
Cash outflow from decrease in debt		100,000	100,000
<b>Change in net debt resulting from cash flows</b>		(951,943)	934,815
<b>Movement in net debt in the period</b>		(951,943)	934,815
<b>Net debt at 1 September</b>		(2,318,702)	(3,253,517)
<b>Net debt at 31 August</b>		(3,270,645)	(2,318,702)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	1,300,958	261,781
Depreciation charges	566,366	568,618
(Profit)/Loss on disposal of fixed assets	(8,998)	4,440
Impairment of goodwill	217,312	-
(Increase)/Decrease in stocks	(1,181,861)	113,998
Increase in debtors	(1,508,044)	(440,414)
Increase in creditors	1,834,423	954,509
<b>Net cash inflow from operating activities</b>	<b>1,220,156</b>	<b>1,462,932</b>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011	2010
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	2,610	199
Interest paid	(95,640)	(64,197)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(93,030)</b>	<b>(63,998)</b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(200,000)	-
Purchase of tangible fixed assets	(1,609,602)	(265,417)
Sale of tangible fixed assets	8,998	-
<b>Net cash outflow for capital expenditure</b>	<b>(1,800,604)</b>	<b>(265,417)</b>
<b>Financing</b>		
Loan repayments in year	(100,000)	(100,000)
<b>Net cash outflow from financing</b>	<b>(100,000)</b>	<b>(100,000)</b>

The notes form part of these financial statements

OAKES MILLERS LIMITED (REGISTERED NUMBER: 333467)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2011

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/10 £	Cash flow £	At 31/8/11 £
Net cash			
Cash at bank and in hand	4,610	1,207	5,817
Bank overdraft	(1,923,312)	(1,053,150)	(2,976,462)
	<u>(1,918,702)</u>	<u>(1,051,943)</u>	<u>(2,970,645)</u>
Debt			
Debts falling due within one year	(100,000)	100,000	-
Debts falling due after one year	(300,000)	-	(300,000)
	<u>(400,000)</u>	<u>100,000</u>	<u>(300,000)</u>
Total	<u>(2,318,702)</u>	<u>(951,943)</u>	<u>(3,270,645)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2011**

---

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**Basis of consolidation**

The group accounts include the audited accounts of the company and its wholly owned subsidiary company, HJ Lea Oakes Limited, made up to 31 August

**Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Turnover is recognised on despatch of goods

**Goodwill**

Purchased goodwill is amortised on a straight line basis over its estimated useful life

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 2% on cost
Plant and machinery	- 25% on cost and 15% and 25% reducing balance
Motor vehicles	- 20% on cost

Freehold land is not depreciated

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes direct materials and labour costs and also those overheads that have been incurred in bringing the stock to its present location and condition. Net realisable value represents sales value less appropriate selling expenses

**Deferred tax**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred taxation is measured on a non-discounted basis at the rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account

**Operating leases**

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred

**Investments**

Investments in subsidiary undertakings are valued at cost less provision for impairment. Other investments are stated at cost, less provision for any permanent diminution

**2 TURNOVER**

The turnover and profit before taxation are attributable to the principal activity of the group

The group's turnover arises wholly in the UK

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 3 STAFF COSTS

	2011	2010
	£	£
Wages and salaries	3,941,347	3,698,285
Social security costs	378,354	331,237
Other pension costs	101,719	96,155
	<u>4,421,420</u>	<u>4,125,677</u>

The average monthly number of employees during the year was as follows

	2011	2010
Directors	7	6
Administration	19	18
Production	49	48
Sales, distribution and retail	45	38
	<u>120</u>	<u>110</u>

## 4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation - owned assets	561,366	563,618
(Profit)/Loss on disposal of fixed assets	(8,998)	4,440
Goodwill amortisation	5,000	5,000
Auditors' remuneration	22,984	20,000
Operating leases rentals	5,174	5,174
Impairment of goodwill	217,312	-
	<u>374,991</u>	<u>368,910</u>
Directors' pension contributions to money purchase schemes	13,456	12,257

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2011	2010
	£	£
Emoluments etc	132,228	126,579
Pension contributions to money purchase schemes	<u>4,849</u>	<u>4,708</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	85,705	48,958
Other interest	1,572	94
Other loan interest	8,363	15,145
	<u>95,640</u>	<u>64,197</u>

## 6 TAXATION

## Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	461,496	106,660
Corporation tax re prior year	17,407	-
Total current tax	<u>478,903</u>	<u>106,660</u>
Deferred tax	<u>(70,632)</u>	<u>(38,666)</u>
Tax on profit on ordinary activities	<u>408,271</u>	<u>67,994</u>

UK corporation tax has been charged at 27.16%

## Factors affecting the tax charge

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

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>1,207,928</u>	<u>197,783</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.160% (2010 - 28%)	328,073	55,379
Effects of		
Depreciation in excess of capital allowances	49,931	44,995
Expenses not deductible for tax purposes	19,477	3,512
Other timing differences	64,235	2,774
Marginal relief	(220)	-
Underprovision of prior year	17,407	-
Current tax charge	<u>478,903</u>	<u>106,660</u>

## 7 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £824,216 (2010 - £59,825)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 8 INTANGIBLE FIXED ASSETS

## Group

	Goodwill £
<b>COST</b>	
At 1 September 2010	100,004
Additions	200,000
At 31 August 2011	300,004
<b>AMORTISATION</b>	
At 1 September 2010	77,692
Amortisation for year	5,000
Impairments	217,312
At 31 August 2011	300,004
<b>NET BOOK VALUE</b>	
At 31 August 2011	-
At 31 August 2010	22,312

## Company

	Goodwill £
<b>COST</b>	
At 1 September 2010	100,004
Additions	200,000
At 31 August 2011	300,004
<b>AMORTISATION</b>	
At 1 September 2010	77,692
Amortisation for year	5,000
Impairments	217,312
At 31 August 2011	300,004
<b>NET BOOK VALUE</b>	
At 31 August 2011	-
At 31 August 2010	22,312

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 9 TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 September 2010	908,671	5,278,826	641,943	6,829,440
Additions	935,000	613,802	73,250	1,622,052
Disposals	-	-	(17,750)	(17,750)
At 31 August 2011	1,843,671	5,892,628	697,443	8,433,742
<b>DEPRECIATION</b>				
At 1 September 2010	223,513	3,859,248	418,761	4,501,522
Charge for year	14,898	426,292	120,176	561,366
Eliminated on disposal	-	-	(17,750)	(17,750)
At 31 August 2011	238,411	4,285,540	521,187	5,045,138
<b>NET BOOK VALUE</b>				
At 31 August 2011	1,605,260	1,607,088	176,256	3,388,604
At 31 August 2010	685,158	1,419,578	223,182	2,327,918
<b>Company</b>				
	Freehold property £	Plant and machinery £	Totals £	
<b>COST</b>				
At 1 September 2010	903,888	4,925,561	5,829,449	
Additions	935,000	393,723	1,328,723	
At 31 August 2011	1,838,888	5,319,284	7,158,172	
<b>DEPRECIATION</b>				
At 1 September 2010	223,513	3,592,984	3,816,497	
Charge for year	14,898	362,973	377,871	
At 31 August 2011	238,411	3,955,957	4,194,368	
<b>NET BOOK VALUE</b>				
At 31 August 2011	1,600,477	1,363,327	2,963,804	
At 31 August 2010	680,375	1,332,577	2,012,952	

Included in cost of land and buildings is freehold land of £179,230 (2010 - £155,000) which is not depreciated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 10 FIXED ASSET INVESTMENTS

## Group

Listed  
investments  
£

## COST

At 1 September 2010  
and 31 August 2011

22,800

## NET BOOK VALUE

At 31 August 2011

22,800

At 31 August 2010

22,800

## Company

Shares in  
group  
undertakings  
£Listed  
investments  
£Totals  
£

## COST

At 1 September 2010  
and 31 August 2011

17,700

22,800

40,500

## NET BOOK VALUE

At 31 August 2011

17,700

22,800

40,500

At 31 August 2010

17,700

22,800

40,500

Market value of listed investments at 31 August 2011 - £33,800 (2010 - £26,650)

The group or the company's investments at the balance sheet date in the share capital of companies include the following

## Subsidiary

## H J Lea Oakes Limited

Nature of business Agricultural merchanting and distribution

%

Class of shares

holding

Ordinary

100.00

## 11 STOCKS

## Group

## Company

	2011 £	2010 £	2011 £	2010 £
Raw materials	2,111,970	1,149,320	2,075,116	1,131,250
Finished goods	823,406	604,195	338,333	231,659
	<u>2,935,376</u>	<u>1,753,515</u>	<u>2,413,449</u>	<u>1,362,909</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	7,435,620	6,025,640	2,127,252	2,833,435
Amounts owed by group undertakings	-	-	3,420,022	1,749,697
Other debtors	184,874	101,271	92,477	52,772
Tax	8,005	-	-	-
Prepayments	181,000	166,539	54,017	63,165
	<u>7,809,499</u>	<u>6,293,450</u>	<u>5,693,768</u>	<u>4,699,069</u>

Included within the company's trade debtors are amounts owed by group undertakings of £2,127,252 (2010 £2,833,435)

## 13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts (see note 15)	2,976,462	2,023,312	2,699,531	2,050,446
Trade creditors	5,589,843	3,969,127	4,093,219	3,019,568
Tax	236,597	28,154	236,597	1,795
Social security and other taxes	112,708	96,985	47,353	44,097
Other creditors	8,298	5,653	-	-
Accrued expenses	989,664	781,874	707,215	443,489
	<u>9,913,572</u>	<u>6,905,105</u>	<u>7,783,915</u>	<u>5,559,395</u>

## 14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans (see note 15)	200,000	200,000	200,000	200,000
Other loans (see note 15)	100,000	100,000	100,000	100,000
	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 15 LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Amounts falling due within one year or on demand				
Bank overdrafts	2,976,462	1,923,312	2,699,531	1,950,446
Bank loan	-	100,000	-	100,000
	<u>2,976,462</u>	<u>2,023,312</u>	<u>2,699,531</u>	<u>2,050,446</u>
Amounts falling due between one and two years				
Bank loan	<u>200,000</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>
Amounts falling due between two and five years				
Bank loan	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Amounts falling due in more than five years				
Repayable otherwise than by instalments				
Directors loans	40,000	40,000	40,000	40,000
Other loans	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The loan from the directors and the other loan have no fixed repayment date. Interest is payable on the loans at 2% above bank base rate.

## 16 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group	Other operating leases	
	2011 £	2010 £
Expiring		
Between one and five years	<u>5,174</u>	<u>5,174</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

## 17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank overdrafts	2,976,462	1,923,312	2,699,531	1,950,446
Bank loans	200,000	300,000	200,000	300,000
	<u>3,176,462</u>	<u>2,223,312</u>	<u>2,899,531</u>	<u>2,250,446</u>

The group's borrowing is secured by first charges over its freehold property and a cross guarantee with its subsidiary company

## 18 PROVISIONS FOR LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Deferred tax				
Accelerated capital allowances	114,810	124,779	104,844	117,190
Other timing differences	(60,664)	-	(60,664)	-
	<u>54,146</u>	<u>124,779</u>	<u>44,180</u>	<u>117,190</u>

## Group

	Deferred tax £
Balance at 1 September 2010	124,779
Reversing timing differences	(70,633)
Balance at 31 August 2011	<u>54,146</u>

## Company

	Deferred tax £
Balance at 1 September 2010	117,190
Reversing timing differences	(73,010)
Balance at 31 August 2011	<u>44,180</u>

## 19 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	2011	2010
			£	£
65,600	Ordinary	50p	<u>32,800</u>	<u>32,800</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

20 RESERVES

Group

	Profit and loss account £	Capital reserve £	Other reserves £	Totals £
At 1 September 2010	2,732,112	329,652	157	3,061,921
Profit for the year	799,657			799,657
At 31 August 2011	<u>3,531,769</u>	<u>329,652</u>	<u>157</u>	<u>3,861,578</u>

Company

	Profit and loss account £	Other reserves £	Totals £
At 1 September 2010	2,129,986	157	2,130,143
Profit for the year	824,216		824,216
At 31 August 2011	<u>2,954,202</u>	<u>157</u>	<u>2,954,359</u>

21 PENSION COMMITMENTS

The pension contributions payable at the year end to the defined contribution pension scheme were £14,884 (2010 £10,525)

22 CONTINGENT LIABILITIES

The company has entered into a cross guarantee in respect of the borrowings of its subsidiary, HJ Lea Oakes Limited which is secured by a debenture over the assets of the company At 31 August 2011 this amounted to £276,931 (2010 - £nil)

23 RELATED PARTY DISCLOSURES

Advantage has been taken of the exemption under paragraph 3(c) of Financial Reporting Standard No 8 not to disclose related party transactions within the group

24 ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the company and group are ultimately controlled by Mr J E Lea



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2011

25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2011 £	2010 £
Profit for the financial year	799,657	129,789
Net addition to shareholders' funds	799,657	129,789
Opening shareholders' funds	3,094,721	2,964,932
Closing shareholders' funds	3,894,378	3,094,721

Company

	2011 £	2010 £
Profit for the financial year	824,216	59,825
Net addition to shareholders' funds	824,216	59,825
Opening shareholders' funds	2,162,943	2,103,118
Closing shareholders' funds	2,987,159	2,162,943