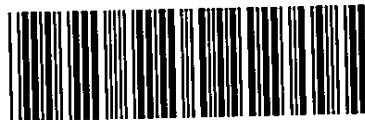


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OAKES MILLERS LIMITED
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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COMPANIES HOUSE

OAKES MILLERS LIMITED (REGISTERED NUMBER: 00333467)

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FOR THE YEAR ENDED 31 AUGUST 2013**

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OAKES MILLERS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2013**

DIRECTORS:

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

SECRETARY:

A Rowe

REGISTERED OFFICE:

Aston Mill
Aston
Near Nantwich
Cheshire
CW5 8DH

REGISTERED NUMBER:

00333467

AUDITORS:

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

OAKES MILLERS LIMITED (REGISTERED NUMBER: 00333467)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2013

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 once again 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

During the year the company purchased the share capital of M E Waterhouse Limited

The directors would like to thank the staff for all their hard work

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2013

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 2012 to the date of this report

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

Other changes in directors holding office are as follows

E P Lea - appointed 27 February 2013

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 2013**

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,
- 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 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

21/11/13

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 2013 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 Report of the Directors 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 2013 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 *22/11/13*

OAKES MILLERS LIMITED (REGISTERED NUMBER. 00333467)**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2013**

		2013	2012
	Notes	£	£
TURNOVER	2	110,292,683	79,199,282
Cost of sales		92,605,208	64,659,777
GROSS PROFIT		17,687,475	14,539,505
Distribution costs		7,946,835	6,789,166
Administrative expenses		8,302,250	6,213,055
		16,249,085	13,002,221
		1,438,390	1,537,284
Other operating income		20,617	19,166
OPERATING PROFIT	4	1,459,007	1,556,450
Interest receivable and similar income		1,368	2,075
		1,460,375	1,558,525
Interest payable and similar charges	5	179,976	117,252
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,280,399	1,441,273
Tax on profit on ordinary activities	6	508,763	327,946
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		771,636	1,113,327

CONTINUING OPERATIONS

Acquisitions to the group's activities are disclosed in the notes to the financial statements. None of the group's activities were 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: 00333467)

**CONSOLIDATED BALANCE SHEET
31 AUGUST 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	5,859,037	4,897,258
Investments	10	22,800	22,800
		<u>5,881,837</u>	<u>4,920,058</u>
CURRENT ASSETS			
Stocks	11	3,299,380	2,613,108
Debtors	12	11,576,399	9,074,416
Cash at bank and in hand		83,082	173,506
		<u>14,958,861</u>	<u>11,861,030</u>
CREDITORS			
Amounts falling due within one year	13	13,876,224	11,341,900
NET CURRENT ASSETS		<u>1,082,637</u>	<u>519,130</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,964,474</u>	<u>5,439,188</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,170,000)	(430,000)
PROVISIONS FOR LIABILITIES	18	(15,133)	(1,483)
NET ASSETS		<u><u>5,779,341</u></u>	<u><u>5,007,705</u></u>
CAPITAL AND RESERVES			
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	5,416,732	4,645,096
SHAREHOLDERS' FUNDS	25	<u><u>5,779,341</u></u>	<u><u>5,007,705</u></u>

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



A Preston - Director

21/11/13

and were signed on

The notes form part of these financial statements

OAKES MILLERS LIMITED (REGISTERED NUMBER: 00333467)

**COMPANY BALANCE SHEET
31 AUGUST 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	5,393,213	4,539,439
Investments	10	1,925,623	40,500
		<u>7,318,836</u>	<u>4,579,939</u>
CURRENT ASSETS			
Stocks	11	2,690,296	1,970,951
Debtors	12	9,421,281	7,106,831
Cash at bank and in hand		45,250	7,628
		<u>12,156,827</u>	<u>9,085,410</u>
CREDITORS			
Amounts falling due within one year	13	13,734,314	9,328,740
NET CURRENT LIABILITIES		<u>(1,577,487)</u>	<u>(243,330)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,741,349</u>	<u>4,336,609</u>
CREDITORS			
Amounts falling due after more than one year	14	(1,170,000)	(430,000)
PROVISIONS FOR LIABILITIES	18	<u>(40,568)</u>	<u>(9,401)</u>
NET ASSETS		<u><u>4,530,781</u></u>	<u><u>3,897,208</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	32,800	32,800
Other reserves	20	157	157
Profit and loss account	20	4,497,824	3,864,251
SHAREHOLDERS' FUNDS	25	<u><u>4,530,781</u></u>	<u><u>3,897,208</u></u>

The notes form part of these financial statements

OAKES MILLERS LIMITED (REGISTERED NUMBER: 00333467)

COMPANY BALANCE SHEET - continued
31 AUGUST 2013

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

21/11/13

and were signed on



A Preston - Director

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

		2013	2012
	Notes	£	£
Net cash inflow from operating activities	1	1,832,422	1,762,753
Returns on investments and servicing of finance	2	(178,608)	(115,177)
Taxation		(400,768)	(425,588)
Capital expenditure	2	(984,074)	(2,070,317)
Acquisitions and disposals	2	(2,265,295)	-
		(1,996,323)	(848,329)
Financing	2	900,000	400,000
Decrease in cash in the period		(1,096,323)	(448,329)
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(1,096,323)	(448,329)
Cash inflow from increase in debt		(900,000)	(400,000)
Change in net debt resulting from cash flows		(1,996,323)	(848,329)
Movement in net debt in the period		(1,996,323)	(848,329)
Net debt at 1 September		(4,118,974)	(3,270,645)
Net debt at 31 August		(6,115,297)	(4,118,974)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

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

	2013 £	2012 £
Operating profit	1,459,007	1,556,450
Depreciation charges	1,339,747	571,913
Profit on disposal of fixed assets	-	(10,250)
(Increase)/decrease in stocks	(399,505)	322,268
Increase in debtors	(1,300,157)	(1,272,922)
Increase in creditors	733,330	595,294
Net cash inflow from operating activities	1,832,422	1,762,753

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	1,368	2,075
Interest paid	(179,976)	(117,252)
Net cash outflow for returns on investments and servicing of finance	(178,608)	(115,177)
Capital expenditure		
Purchase of tangible fixed assets	(984,074)	(2,090,567)
Sale of tangible fixed assets	-	20,250
Net cash outflow for capital expenditure	(984,074)	(2,070,317)
Acquisitions and disposals		
Acquisition of subsidiary	(2,585,054)	-
Cash acquired with subsidiary	319,759	-
Net cash outflow for acquisitions and disposals	(2,265,295)	-
Financing		
New loans in year	1,300,000	500,000
Loan repayments in year	(400,000)	(100,000)
Net cash inflow from financing	900,000	400,000

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/12 £	Cash flow £	At 31/8/13 £
Net cash			
Cash at bank and in hand	173,506	(90,424)	83,082
Bank overdrafts	(3,592,480)	(1,005,899)	(4,598,379)
	<u>(3,418,974)</u>	<u>(1,096,323)</u>	<u>(4,515,297)</u>
Debt			
Debts falling due within one year	(270,000)	(160,000)	(430,000)
Debts falling due after one year	(430,000)	(740,000)	(1,170,000)
	<u>(700,000)</u>	<u>(900,000)</u>	<u>(1,600,000)</u>
Total	<u>(4,118,974)</u>	<u>(1,996,323)</u>	<u>(6,115,297)</u>

4 NET ASSETS ACQUIRED

Tangible fixed assets	618,000
Stocks	288,000
Debtors	1,203,000
Cash at bank	320,000
Creditors	(543,000)
Goodwill	699,000

Paid in cash	2,585,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Basis of consolidation

The group accounts include the audited accounts of the company and its wholly owned subsidiaries, HJ Lea Oakes Limited and M E Waterhouse Limited, made up to 31 August. Subsidiaries are included from the date of acquisition

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 material 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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013**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

3 STAFF COSTS

	2013	2012
	£	£
Wages and salaries	5,132,638	4,501,922
Social security costs	473,190	424,650
Other pension costs	110,159	106,994
	<u>5,715,987</u>	<u>5,033,566</u>

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

	2013	2012
Directors	8	7
Administration	22	19
Production	61	50
Sales, distribution and retail	62	50
	<u>153</u>	<u>126</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Hire of plant and machinery	640	-
Depreciation - owned assets	639,816	571,913
Profit on disposal of fixed assets	-	(10,250)
Goodwill amortisation	699,931	-
Auditors' remuneration	23,500	21,496
Operating leases rentals	<u>52,531</u>	<u>52,531</u>
Directors' remuneration	553,697	400,393
Directors' pension contributions to money purchase schemes	<u>16,341</u>	<u>14,578</u>

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

	2013	2012
	£	£
Emoluments etc	141,899	108,054
Pension contributions to money purchase schemes	<u>5,194</u>	<u>5,023</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	133,277	108,205
Other loan interest	46,699	9,047
	<u>179,976</u>	<u>117,252</u>

6 TAXATION**Analysis of the tax charge**

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

	2013	2012
	£	£
Current tax		
UK corporation tax	532,294	385,576
Corporation tax re prior year	(6,581)	(4,967)
Total current tax	<u>525,713</u>	<u>380,609</u>
Deferred tax	<u>(16,950)</u>	<u>(52,663)</u>
Tax on profit on ordinary activities	<u>508,763</u>	<u>327,946</u>

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

	2013	2012
	£	£
Profit on ordinary activities before tax	<u>1,280,399</u>	<u>1,441,273</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.580% (2012 - 25.164%)	301,918	362,682
Effects of		
Depreciation in excess of capital allowances	28,975	44,422
Expenses not deductible for tax purposes	37,820	20,412
Other timing differences	(1,463)	(41,940)
Under provision of prior year	(6,581)	(4,967)
Amortisation of goodwill	<u>165,044</u>	<u>-</u>
Current tax charge	<u>525,713</u>	<u>380,609</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 £633,573 (2012 - £910,049)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013**8 INTANGIBLE FIXED ASSETS**

Group	Goodwill £
COST	
At 1 September 2012	300,004
Additions	699,931
	<u>999,935</u>
At 31 August 2013	
AMORTISATION	
At 1 September 2012	300,004
Amortisation for year	699,931
	<u>999,935</u>
At 31 August 2013	
NET BOOK VALUE	
At 31 August 2013	-
	<u>-</u>
At 31 August 2012	-
	<u>-</u>
Company	Goodwill £
COST	
At 1 September 2012	300,004
Additions	699,931
	<u>999,935</u>
At 31 August 2013	
AMORTISATION	
At 1 September 2012	300,004
Amortisation for year	699,931
	<u>999,935</u>
At 31 August 2013	
NET BOOK VALUE	
At 31 August 2013	-
	<u>-</u>
At 31 August 2012	-
	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

9 TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 September 2012	3,438,076	6,294,540	771,693	10,504,309
Additions	277,160	1,067,067	257,368	1,601,595
Disposals	-	-	(29,500)	(29,500)
At 31 August 2013	3,715,236	7,361,607	999,561	12,076,404
DEPRECIATION				
At 1 September 2012	253,350	4,747,559	606,142	5,607,051
Charge for year	16,712	535,874	87,230	639,816
Eliminated on disposal	-	-	(29,500)	(29,500)
At 31 August 2013	270,062	5,283,433	663,872	6,217,367
NET BOOK VALUE				
At 31 August 2013	3,445,174	2,078,174	335,689	5,859,037
At 31 August 2012	3,184,726	1,546,981	165,551	4,897,258

Included in cost of land and buildings is freehold land of £1,174,373 (2012 - £1,104,783) which is not depreciated

Company	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 September 2012	3,433,293	5,693,987	9,127,280
Additions	275,387	1,022,423	1,297,810
At 31 August 2013	3,708,680	6,716,410	10,425,090
DEPRECIATION			
At 1 September 2012	253,350	4,334,491	4,587,841
Charge for year	14,939	429,097	444,036
At 31 August 2013	268,289	4,763,588	5,031,877
NET BOOK VALUE			
At 31 August 2013	3,440,391	1,952,822	5,393,213
At 31 August 2012	3,179,943	1,359,496	4,539,439

Included in cost of land and buildings is freehold land of £1,169,590 (2012 - £1,100,000) which is not depreciated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

10 FIXED ASSET INVESTMENTS

Group

	Listed investments £
COST	
At 1 September 2012 and 31 August 2013	22,800
NET BOOK VALUE	
At 31 August 2013	22,800
At 31 August 2012	22,800

Company

	Shares in group undertakings £	Listed investments £	Totals £
COST			
At 1 September 2012	17,700	22,800	40,500
Additions	1,885,123	-	1,885,123
At 31 August 2013	1,902,823	22,800	1,925,623
NET BOOK VALUE			
At 31 August 2013	1,902,823	22,800	1,925,623
At 31 August 2012	17,700	22,800	40,500

Market value of listed investments at 31 August 2013 - £57,400 (2012 - £40,300)

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

Subsidiaries

H J Lea Oakes Limited

Nature of business Agricultural merchanting and distribution

Class of shares	% holding
Ordinary	100 00

M E Waterhouse Limited

Nature of business Agricultural merchanting and distribution

Class of shares	% holding
Ordinary	100 00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

11 STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials	2,286,362	1,658,666	2,274,873	1,607,852
Finished goods	1,013,018	954,442	415,423	363,099
	<u>3,299,380</u>	<u>2,613,108</u>	<u>2,690,296</u>	<u>1,970,951</u>

12 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	11,193,758	8,641,612	-	-
Amounts owed by group undertakings	-	-	9,220,364	6,940,974
Other debtors	206,517	234,556	112,815	94,603
Prepayments	176,124	198,248	88,102	71,254
	<u>11,576,399</u>	<u>9,074,416</u>	<u>9,421,281</u>	<u>7,106,831</u>

13 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts (see note 15)	5,028,379	3,862,480	5,127,735	3,862,480
Trade creditors	7,502,467	6,070,354	5,855,016	4,644,090
Amounts owed to group undertakings	-	-	1,926,002	-
Tax	349,194	183,613	313,170	137,579
Social security and other taxes	138,011	122,479	64,966	54,379
Other creditors	13,034	12,767	-	-
Accrued expenses	845,139	1,090,207	447,425	630,212
	<u>13,876,224</u>	<u>11,341,900</u>	<u>13,734,314</u>	<u>9,328,740</u>

14 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans (see note 15)	1,070,000	330,000	1,070,000	330,000
Other loans (see note 15)	100,000	100,000	100,000	100,000
	<u>1,170,000</u>	<u>430,000</u>	<u>1,170,000</u>	<u>430,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

15 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	4,598,379	3,592,480	4,697,735	3,592,480
Bank loan	430,000	270,000	430,000	270,000
	<u>5,028,379</u>	<u>3,862,480</u>	<u>5,127,735</u>	<u>3,862,480</u>
Amounts falling due between one and two years				
Bank loan	<u>1,070,000</u>	<u>330,000</u>	<u>1,070,000</u>	<u>330,000</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	60,000	60,000	60,000	60,000
	<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	Land and buildings		Other operating leases	
	2013	2012	2013	2012
	£	£	£	£
Expiring				
Between one and five years	<u>43,000</u>	<u>43,000</u>	<u>9,531</u>	<u>9,531</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2013

17 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank overdrafts	4,598,379	3,592,480	4,697,735	3,592,480
Bank loans	1,500,000	600,000	1,500,000	600,000
	<u>6,098,379</u>	<u>4,192,480</u>	<u>6,197,735</u>	<u>4,192,480</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	
	2013	2012	2013	2012
	£	£	£	£
Deferred tax				
Accelerated capital allowances	15,133	17,483	40,568	25,401
Other timing differences	-	(16,000)	-	(16,000)
	<u>15,133</u>	<u>1,483</u>	<u>40,568</u>	<u>9,401</u>

Group

	Deferred tax £
Balance at 1 September 2012	1,483
Credit to profit and loss account during year	(16,950)
Balance from acquisition	<u>30,600</u>
Balance at 31 August 2013	<u>15,133</u>

Company

	Deferred tax £
Balance at 1 September 2012	9,401
Credit to profit and loss account during year	567
Balance from acquisition	<u>30,600</u>
Balance at 31 August 2013	<u>40,568</u>

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2013 £	2012 £
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 2013**

20 RESERVES

Group

	Profit and loss account £	Capital reserve £	Other reserves £	Totals £
At 1 September 2012	4,645,096	329,652	157	4,974,905
Profit for the year	771,636			771,636
At 31 August 2013	<u>5,416,732</u>	<u>329,652</u>	<u>157</u>	<u>5,746,541</u>

Company

	Profit and loss account £	Other reserves £	Totals £
At 1 September 2012	3,864,251	157	3,864,408
Profit for the year	633,573		633,573
At 31 August 2013	<u>4,497,824</u>	<u>157</u>	<u>4,497,981</u>

21 PENSION COMMITMENTS

The pension contributions payable at the year end to the defined contribution pension scheme were £21,329 (2012 £20,815)

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 2012 this amounted to £nil (2012 - £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 2013

25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2013 £	2012 £
Profit for the financial year	771,636	1,113,327
Net addition to shareholders' funds	771,636	1,113,327
Opening shareholders' funds	5,007,705	3,894,378
Closing shareholders' funds	5,779,341	5,007,705

Company

	2013 £	2012 £
Profit for the financial year	633,573	910,049
Net addition to shareholders' funds	633,573	910,049
Opening shareholders' funds	3,897,208	2,987,159
Closing shareholders' funds	4,530,781	3,897,208

26 ACQUISITION OF SUBSIDIARY

On 28 February 2013 the company purchased the entire share capital of M E Waterhouse Limited. Due to the integration of the businesses following acquisition, information on the financial effect of the acquisition is not readily available. The directors do not consider the acquisition and the associated costs of acquisition will have had a material effect on the profit and turnover of the group. Details of the net assets acquired are set out in the notes to the cashflow statement.