

Registered number: 425039

Grain Harvesters Limited

Directors' report and financial statements

for the year ended 30 June 2010

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Grain Harvesters Limited

Company Information

Directors

C C Denne (appointed 14 August 2009)
C J Roberts
M J Sharp
W R N Tapp
M J Twyman (resigned 8 February 2010)
W J Wilson-Haffenden
C S Beesty (resigned 31 July 2009)
R A Field (resigned 11 September 2009)
R H Miles (resigned 5 September 2009)

Company secretary

M J Sharp

Company number

425039

Registered office

The Old Colliery
Wingham
Canterbury
Kent
CT3 1LS

Auditors

Reeves & Co LLP
Chartered Accountants & Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Lloyds TSB Bank plc
49 High Street
Canterbury
Kent
CT1 2SE

Grain Harvesters Limited

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Note of historical cost profits and losses	7
Balance sheet	8
Notes to the financial statements	9 - 21

Grain Harvesters Limited

Directors' report for the year ended 30 June 2010

The directors present their report and the financial statements for the year ended 30 June 2010

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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.

Principal activities

The company's principal activities during the year continued to be that of grain marketing, granary operations and the operation of a country store.

Business review

In August 2009 GH2 Limited acquired the entire share capital of Grain Harvesters Limited, following the recommendation of the Board of Grain Harvesters Limited.

In 2009 Grain Harvesters Limited completed the sale of the Animal Feeds Division of the company to WL Duffield & Sons. Duffields remain a tenant of the company operating the Feed Mill from the site. Additionally, in 2009 Grain Harvesters Limited completed the sale of the Pet Foods Division to Henry Bell & Co.

The restructuring of the company has allowed the board to focus on the continuing development of the grain storage and grain marketing divisions. The 2009 harvest was relatively dry, and the grain market remained unexciting for the period. Both divisions have performed to expectation. Marketing tonnage has increased by 7%, harvest intake tonnage and revenues reflected an easier harvest and were 3% ahead of budget.

Going concern

The Board considers that financial resources available to the company are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £84,783 (2009 - loss £267,637).

The directors do not propose the payment of a dividend in respect of the year (2009 £85,207).

Grain Harvesters Limited

Directors' report for the year ended 30 June 2010

Directors

The directors who served during the year were

C C Denne (appointed 14 August 2009)
C J Roberts
M J Sharp
W R N Tapp
M J Twyman (resigned 8 February 2010)
W J Wilson-Haffenden
C S Beesty (resigned 31 July 2009)
R A Field (resigned 11 September 2009)
R H Miles (resigned 5 September 2009)

Details of share options granted to directors are disclosed in note 18

In accordance with the articles of association, C J Roberts and M J Sharp retire by rotation and, being eligible, offer themselves for re-election

Land and buildings

The company's interest in land and buildings were revalued on 17 July 2009 as at 30 June 2009 by Paul Atherton MRICS and Ian Fowler MSc MRICS both from Savills (L&P) Limited, a member of the Royal Institute of Chartered Surveyors on an open market existing use basis which amounted to £3.3 million

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company including the use of grain futures the exposure to price risk is minimised. The company's approach to managing other risks applicable to the financial instruments concerned is as follows:

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans from financial institutions. The interest rate on the loans from financial institutions is variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers, use of credit insurance and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Grain Harvesters Limited

Directors' report for the year ended 30 June 2010

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 28 October 2010 and signed on its behalf



M J Sharp
Director

Grain Harvesters Limited

Independent auditors' report to the shareholders of Grain Harvesters Limited

We have audited the financial statements of Grain Harvesters Limited for the year ended 30 June 2010, set out on pages 6 to 21. 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

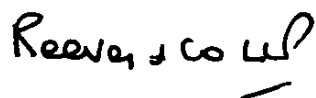
Grain Harvesters Limited

Independent auditors' report to the shareholders of Grain Harvesters Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Chartered Accountants
Statutory Auditor

Canterbury

29 October 2010

Grain Harvesters Limited

Profit and loss account for the year ended 30 June 2010

	Note	2010 £	2009 £
Turnover	1,2		
Continuing operations		25,662,657	25,760,538
Discontinued operations		2,181,305	14,172,022
		<u>27,843,962</u>	<u>39,932,560</u>
Change in stocks of finished goods and work in progress		242,449	(1,319,980)
Raw materials and consumables		(26,137,101)	(33,870,800)
Other external charges		(843,335)	(2,278,249)
Staff costs		(877,902)	(1,919,801)
Depreciation and amortisation		(195,276)	(418,660)
Less release of provision made in 2009		70,664	-
		<u>70,664</u>	<u>-</u>
Operating profit	4		
Continuing operations		123,438	138,978
Discontinued operations		(19,977)	(13,908)
		<u>103,461</u>	<u>125,070</u>
Exceptional items	8		
Reorganisation costs on discontinued operations		(541,552)	(1,154,358)
Less release of provision made in 2009		541,552	-
Net profit on sale of fixed assets from discontinued operations		-	669,881
		<u>-</u>	<u>669,881</u>
Profit/(loss) on ordinary activities before interest		103,461	(359,407)
Interest receivable		17,030	21,899
Interest payable	7	(35,708)	(114,468)
		<u>17,030</u>	<u>21,899</u>
Profit/(loss) on ordinary activities before taxation		84,783	(451,976)
Tax on profit/(loss) on ordinary activities	9	-	184,339
		<u>-</u>	<u>184,339</u>
Profit/(loss) for the financial year	19	<u>84,783</u>	<u>(267,637)</u>

The notes on pages 9 to 21 form part of these financial statements

Grain Harvesters Limited

Statement of total recognised gains and losses for the year ended 30 June 2010

	2010 £	2009 £
Profit/(loss) for the financial year	84,783	(267,637)
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	-	(49,634)
Total recognised gains and losses relating to the year	84,783	(317,271)

Note of historical cost profits and losses for the year ended 30 June 2010

	2010 £	2009 £
Reported profit/(loss) on ordinary activities before taxation	84,783	(451,976)
Realisation of valuation gains of previous periods	-	3,589
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	31,200	27,611
Historical cost profit/(loss) on ordinary activities before taxation	115,983	(420,776)
Historical profit/(loss) for the year after taxation	115,983	(236,437)

The notes on pages 9 to 21 form part of these financial statements

Grain Harvesters Limited
Registered number: 425039

Balance sheet
as at 30 June 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible fixed assets	10		-		139,391
Tangible Fixed Assets	11		3,626,212		3,724,632
Fixed asset investments	12		2		4
			<u>3,626,214</u>		<u>3,864,027</u>
Current assets					
Stocks	13	1,277,019		1,033,572	
Debtors	14	3,812,150		6,593,708	
Cash at bank and in hand		1,090,187		10,379	
		<u>6,179,356</u>		<u>7,637,659</u>	
Creditors: amounts falling due within one year	15	<u>(5,252,818)</u>		<u>(6,325,878)</u>	
Net current assets			<u>926,538</u>		<u>1,311,781</u>
Total assets less current liabilities			<u>4,552,752</u>		<u>5,175,808</u>
Creditors: amounts falling due after more than one year	16		(85,943)		(248,853)
Provisions for liabilities					
Other provisions	17		<u>(35,364)</u>		<u>(647,580)</u>
Net assets			<u><u>4,431,445</u></u>		<u><u>4,279,375</u></u>
Capital and reserves					
Called up share capital	18		87,234		81,117
Share premium account	19		61,170		-
Revaluation reserve	19		2,550,186		2,581,386
Capital redemption reserve	19		2,490		2,490
Profit and loss account	19		<u>1,730,365</u>		<u>1,614,382</u>
Shareholders' funds	20		<u><u>4,431,445</u></u>		<u><u>4,279,375</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 October 2010



M J Sharp
Director

The notes on pages 9 to 21 form part of these financial statements

**Notes to the financial statements
for the year ended 30 June 2010**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 1

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

As highlighted in note 15 to the financial statements, the company meets its day to day working capital requirements through an overdraft facility which is due for renewal on 30 June 2011. The current economic conditions create uncertainty particularly over (a) the level of demand for the company's services, and (b) the availability of bank finance in the foreseeable future

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.4 Turnover

Turnover represents revenue due from the normal activities of the business to the extent that the company obtains a right to consideration in exchange for its performance of those activities, exclusive of Value Added Tax and trade discounts

The revenue recognised is measured by reference to the amounts likely to be chargeable to customers, less a suitable allowance to recognise uncertainties remaining in the completion of the obligations. Contingent income is recognised only when the contingent element is assured

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

1 Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	dwelling houses - 50 years all other - 30 years
Plant and machinery	-	5 - 20 years
Motor vehicles	-	commercial - 6 years motor cars - 5 years
Office and laboratory equipment	-	5 years
Assets under construction	-	Are depreciated when completed and brought into use

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

1.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

1. Accounting policies (continued)

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.13 Related party transactions

The company has taken advantage of the exemption from disclosing related party transactions with its fellow group members provided by paragraph 3c of FRS8 as it is a wholly owned subsidiary undertaking of GH2 Limited

2. Turnover

A geographical analysis of turnover is as follows

	2010 £	2009 £
United Kingdom	24,471,242	36,496,909
Rest of European Union	3,372,720	3,421,854
Rest of World	-	13,797
	<u>27,843,962</u>	<u>39,932,560</u>

£25,662,657 of the turnover and £123,438 of operating profit relates to continuing activities and is attributable to the grain marketing and granary operations. The turnover and operating loss from discontinued activities arose from the manufacturing and sales of compound animal feeds and pet foods

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

3 Cost of sales and expenses

	2010		2009	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Change in stocks of finished goods and work in progress	(606,057)	363,608	989,972	330,008
Raw materials and consumables	24,751,380	1,385,721	23,499,136	10,371,664
Other external charges	537,768	305,567	449,949	1,828,300
Staff costs	697,543	180,359	506,320	1,413,481
Depreciation and amortisation	158,585	36,691	176,183	242,477
Less release of provision made in 2009	-	(70,664)	-	-

4. Operating profit

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Amortisation - intangible fixed assets	19,391	58,174
Depreciation of tangible fixed assets		
- owned by the company	179,266	361,337
Auditors' remuneration	8,000	12,400
Operating lease rentals		
- plant and machinery	14,767	84,788
Profit on sale of tangible assets	(3,381)	(851)
Rent receivable	(122,634)	(56,233)

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	761,065	1,731,939
Social security costs	78,730	163,424
Other pension costs	38,107	206,928
	877,902	2,102,291

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

2010 No.	2009 No.
24	61

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

6. Directors' remuneration

	2010 £	2009 £
Emoluments	<u>213,809</u>	<u>336,197</u>
Company pension contributions to money purchase pension schemes	<u>16,701</u>	<u>143,357</u>

During the year retirement benefits were accruing to 5 directors (2009 - 4) in respect of money purchase pension schemes

The highest paid director received remuneration of £77,839 (2009 - £124,932)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £6,087 (2009 - £129,798)

7. Interest payable

	2010 £	2009 £
On bank loans and overdrafts	35,708	114,012
On finance leases and hire purchase contracts	-	456
	<u>35,708</u>	<u>114,468</u>

8. Exceptional items

£541,552 relates to the exceptional costs provided in 2009 and utilised in 2010

All of the 2009 exceptional item relates to the discontinued operations of the company. The company sold its Animal Feed and Pet Food divisions

9. Taxation

	2010 £	2009 £
Analysis of tax charge in the year		
Deferred tax		
Origination and reversal of timing differences	-	(184,339)
Tax on profit/loss on ordinary activities	<u>-</u>	<u>(184,339)</u>

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK (21%). The differences are explained below

	2010 £	2009 £
Profit/loss on ordinary activities before tax	84,783	(451,976)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	17,804	(94,915)
Effects of:		
Expenses not deductible for tax purposes	726	1,280
Capital allowances for year in excess of depreciation	33,582	27,730
Utilisation of tax losses	(52,112)	-
Losses carried forward	-	65,905
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

There are tax losses carried forward of £174,000. No deferred tax asset has been accounted for due to the uncertainty as to when the losses can be utilised.

10. Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2009	1,032,229
Disposals	(1,032,229)
At 30 June 2010	-
Amortisation	
At 1 July 2009	892,838
Charge for the year	19,391
On disposals	(912,229)
At 30 June 2010	-
Net book value	
At 30 June 2010	-
At 30 June 2009	139,391

Grain Harvesters Limited

**Notes to the financial statements
for the year ended 30 June 2010**

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Office and laboratory equipment £	Assets under construc- tion £	Total £
Cost or valuation						
At 1 July 2009	3,300,000	3,540,595	48,260	421,776	18,395	7,329,026
Additions	20,336	115,734	55,400	1,700	9,265	202,435
Disposals	-	(856,848)	(48,760)	(147,971)	-	(1,053,579)
At 30 June 2010	3,320,336	2,799,481	54,900	275,505	27,660	6,477,882
Depreciation						
At 1 July 2009	-	3,195,081	24,091	385,222	-	3,604,394
Charge for the year	65,820	87,657	8,089	17,700	-	179,266
On disposals	-	(777,870)	(7,422)	(146,698)	-	(931,990)
At 30 June 2010	65,820	2,504,868	24,758	256,224	-	2,851,670
Net book value						
At 30 June 2010	3,254,516	294,613	30,142	19,281	27,660	3,626,212
At 30 June 2009	3,300,000	345,514	24,169	36,554	18,395	3,724,632

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

11 Tangible fixed assets (continued)

Included in land and buildings is freehold land at valuation of £1,250,000 (2009 - £1,250,000) which is not depreciated

Cost or valuation at 30 June 2010 is as follows

	Land and buildings £
At cost	1,315,428
At valuation.	
Land and buildings at valuation	2,004,908
	3,320,336

The land and buildings were revalued on 17 July 2009 as at 30 June 2009 by Paul Atherton MRICS and Ian Fowler MSc MRICS both from Savills (L&P) Limited, a member of the Royal Institute of Chartered Surveyors on an open market existing use basis

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2010 £	2009 £
Cost	1,315,428	1,295,092
Accumulated depreciation	(611,098)	(576,478)
Net book value	704,330	718,614

12. Fixed asset investments

	Shares in group under- takings £
Cost or valuation	
At 1 July 2009	4
Disposals	(2)
At 30 June 2010	2

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name

GH Grain Limited

The aggregate of the share capital and reserves as at 30 June 2010 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
GH Grain Limited	2	-

GH (Wingham) Limited, a former subsidiary of the company, was dissolved on 29 June 2010

13. Stocks

	2010 £	2009 £
Raw materials	1,241,307	857,980
Finished goods and goods for resale	35,712	175,592
	<u>1,277,019</u>	<u>1,033,572</u>

14. Debtors

	2010 £	2009 £
Trade debtors	3,511,931	4,914,952
Amounts owed by group undertakings	41,658	-
Other debtors	174,742	1,407,655
Prepayments and accrued income	83,819	271,101
	<u>3,812,150</u>	<u>6,593,708</u>

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

15 Creditors: Amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	151,942	523,709
Trade creditors	4,844,307	5,362,590
Social security and other taxes	20,410	43,818
Other creditors	32,909	36,883
Accruals and deferred income	203,250	358,878
	<u>5,252,818</u>	<u>6,325,878</u>

The bank loans and overdraft are secured on assets of the company

16 Creditors: Amounts falling due after more than one year

	2010 £	2009 £
Bank loans	<u>85,943</u>	<u>248,853</u>

The above bank loans relate to loans from Lloyds TSB bank plc. The loans are secured by way of fixed and floating charges on the assets of the company. All of the bank loans fall due in less than 5 years and are repayable by monthly instalments, bearing interest at normal market rates.

17. Provisions

	£
At 1 July 2009	647,580
Amounts used	(612,216)
	<u>35,364</u>
At 30 June 2010	<u>35,364</u>

The above provision relates to the reorganisation expenses incurred

18 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
87,234 (2009 - 81,117) Ordinary shares of £1 each	<u>87,234</u>	<u>81,117</u>

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

18. Share capital (continued)

During the year, the company issued 6,117 ordinary £1 shares at a premium of £10 each

Share options

During the prior year options had been granted to three executive directors to purchase 7,200 ordinary shares of £1 each in the company

	At 1.7.09 £	Granted £	Exercised £	Lapsed £	At 30.6.10 £	Exercise price £
C J Roberts	2,400	-	(2,039)	(361)	-	11
C S Beesty	2,400	-	(2,039)	(361)	-	11
M J Sharp	2,400	-	(2,039)	(361)	-	11
Total	7,200	-	(6,117)	(1,083)	-	

19. Reserves

	Share premium account £	Capital redempt'n reserve £	Revaluation reserve £	Profit and loss account £
At 1 July 2009	-	2,490	2,581,386	1,614,382
Profit for the year	-	-	-	84,783
Premium on shares issued during the year	61,170	-	-	-
Transfer between Revaluation reserve and P/L account	-	-	(31,200)	31,200
At 30 June 2010	61,170	2,490	2,550,186	1,730,365

20. Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Opening shareholders' funds	4,279,375	4,681,853
Profit/(loss) for the year	84,783	(267,637)
Dividends (Note 21)	-	(85,207)
Shares issued during the year	6,117	-
Share premium on shares issued (net of expenses)	61,170	-
Other recognised gains and losses during the year	-	(49,634)
Closing shareholders' funds	4,431,445	4,279,375

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

21. Dividends

	2010 £	2009 £
Dividends paid on equity capital	-	85,207

22. Contingent liabilities

The company has an Omnibus Guarantee and Set-Off Agreement in place with Lloyds TSB Bank Plc and GH2 Limited, the company's parent company, regarding any bank indebtedness of either Grain Harvesters Limited or GH2 Limited

23. Capital commitments

At 30 June 2010 the company had capital commitments as follows

	2010 £	2009 £
Contracted for but not provided in these financial statements	17,500	34,000

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £38,107 (2009 - £206,928)

25. Operating lease commitments

At 30 June 2010 the company had annual commitments under non-cancellable operating leases as follows

	2010 £	2009 £
Expiry date.		
Within 1 year	-	2,853
Between 2 and 5 years	3,275	57,595

Grain Harvesters Limited

Notes to the financial statements for the year ended 30 June 2010

26. Related party transactions

During the year, transactions took place with the following on arms length terms

- i) H W Twyman, a partnership in which M J Twyman has an interest
- ii) High Chimney Farms, a partnership in which W J Wilson-Haffenden has an interest
- iii) T Denne & Sons Ltd, a company in which C Denne has an interest

Transactions are as follows

	2010 £	2009 £
H W Twyman (granary intake and storage income)	37,323	41,854
H W Twyman (purchases of grain)	(148,303)	(180,257)
High Chimney Farms (granary intake and storage income)	3,661	1,197
High Chimney Farms (purchases of grain)	(303,398)	(322,201)
T Denne & Sons Limited (granary intake and storage income)	418,691	-
T Denne & Sons Limited (purchases of grain, haulage and storage)	(682,771)	-
	<u>(682,771)</u>	<u>-</u>

The following amounts were due from/(to) related parties at the balance sheet date

	2010 £	2009 £
H W Twyman	13,970	43,397
High Chimney Farms	4,216	1,403
T Denne & Sons Limited	(50,512)	-
Total	<u>(32,326)</u>	<u>44,800</u>

27. Ultimate parent undertaking and controlling party

On 14 August 2009, the whole of the company's ordinary share capital was purchased by GH2 Limited, a company incorporated in England and Wales, making the company a wholly owned subsidiary of GH2 Limited, whose group financial statements are publicly available from the company secretary at the registered office address

In the opinion of the directors, there is no ultimate controlling party