

WHEATSHEAF INVESTMENTS LIMITED

Report and Financial Statements

31 March 2013

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WHEATSHEAF INVESTMENTS LIMITED

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WHEATSHEAF INVESTMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Jeremy H M Newsum
F Alexander Scott Chairman
William B Kendall
Peter L Doyle
Graham P Ramsbottom

SECRETARY

Geoffrey M Chadwick

REGISTERED OFFICE

The Quarry
Hill Road
Eccleston
Chester
CH4 9HQ

BANKERS

HSBC Bank plc
47 Eastgate Street
Chester
CH1 1XW

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

WHEATSHEAF INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the Group consisted of a diverse range of activities principally being hotelier, farming, production of breeding products for the dairy industry, insurance broking and investing activities

As a result of the Group's strategic decision to diversify its portfolio by investing into companies principally associated with solutions for meeting the increasing demands for food, energy and water, the Group made a number of investments and acquisitions during the year

On 30 April 2012 the Group acquired the whole of the issued share capital of Five Star Breeders Limited

As part of the €10,000,000 that the Company has committed to invest into the Zouk Capital LLP Renewable Energy and Environmental Infrastructure Fund II the Company invested €1,000,000 into this fund during the financial year

On 7 August 2012 the Company acquired a 25% interest in the shares of Gilkes Energy Limited, a developer of hydro power electricity generation projects

On 18 September 2012 the Group acquired a 25% interest in the shares of Gilkes Energy (Ederline Hydro) Limited. Gilkes Energy (Ederline Hydro) Limited holds a 20% interest in the shares of a hydro power electricity generation company

On 28 February 2013 the Company acquired an additional 10.75% stake in Tatra Holdings Limited, a company whose primary activity is investment into dairy farming in Slovakia. The Group now owns a 31.15% stake

On 27 March 2013 the Group acquired a 10% interest in the shares of Torrential Potential Limited, a hydro power electricity generation company

On 26 June 2012 the Group completed the sale of its entire investment in Grosvenor Garden Centre Limited. The results of this company for the period to 26 June 2012 have been disclosed within the financial statements as discontinued operations

On 12 April 2013 the Company signed an agreement to invest US \$10,000,000 in Ostara Nutrient Recovery Technologies Inc (see note 33)

The operating profit on continuing operations excluding exceptional items was satisfactory at £74,000 (2012 - £412,000) and the overall Group reported an operating loss of £1,323,000 (loss in 2012 of £9,245,000) and a loss before taxation of £156,000 (loss before taxation in 2012 of £9,111,000). The Group's net assets decreased by £140,000 to £21,328,000 as a result of the post tax loss for the year of £338,000 less a gain of £198,000 on translation of foreign currency net investments

FUTURE PROSPECTS

The Directors believe that the Group is well positioned for the forthcoming year. Whilst trading conditions remain challenging a positive result is anticipated for the year to 31 March 2014

GOING CONCERN

After making enquiries, including consideration of the Group budget, and in view of the positive cash balance the Directors have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the businesses and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the members of the Group are noted below

- 1 Disease outbreak and the recent increased volatility of world commodity markets affecting prices for the agricultural businesses

The agricultural businesses manage the risk of disease outbreak by the maintenance of bio-security policies and the adoption of procedures including quarantine, veterinary surveillance, vaccination and routine health checks. The use of market intelligence and spread and forward selling reduces the risk presented by volatile world commodity markets

The breeding business is also at risk from competitors gaining an advantage from new technological developments. This risk is mitigated by the continuing review of existing technologies and research into new ones

WHEATSHEAF INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

- 2 Competitive pressure within the hotel sector and the potential loss of customers to the hotel
- The Hotel manages its risks by the development of a broad business mix, continued investment, providing added value services at a consistently high standard and undertaking regular reviews to ensure the needs of key customers and suppliers continue to be met
- 3 Compliance with the regulatory framework, set by the Financial Conduct Authority, and the failure of counterparties to pay amounts in full when due (credit risk) for the insurance broking business
- This business has implemented various controls and procedures in order to mitigate the risk of non-compliance with the regulatory framework. It is also very active in keeping up to date with any changes to the framework's requirements. Credit risk is managed by monitoring the exposure to single counterparties and to connected counterparties and ensuring that cash and investment holdings are kept with a number of different counterparties with appropriate credit ratings

RESULTS AND DIVIDENDS

The results for the year are set out in the consolidated profit and loss account on page 6. The loss for the year after taxation was £338,000 (2012 – loss £9,334,000). The Directors do not recommend the payment of a dividend (2012 – £nil).

DIRECTORS

The membership of the Board, who served throughout the year and to the date of this report, were as follows

Jeremy H M Newsum
Peter L Doyle
F Alexander Scott
Graham P Ramsbottom
William B Kendall

EMPLOYEES

The Group gives full and fair consideration to applications by disabled persons for employment. Disabled employees and those who become disabled are afforded the same training, career development and promotion opportunities as other staff. The Directors recognise the importance of good communications and relations with the Group's employees. Each part of the group maintains employee relationships appropriate to its own particular needs and environment.

AUDITOR

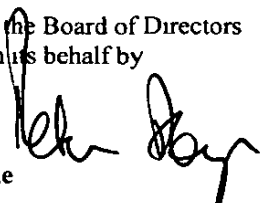
Each of the persons who is a Director at the date of approval of this report confirms that

- (a) so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- (b) the Director has taken all reasonable steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on its behalf by


Peter L Doyle
Director

WHEATSHEAF INVESTMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATSHEAF INVESTMENTS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Wheatsheaf Investments Limited for the year ended 31 March 2013 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes 1 to 34. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 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 annual reports to identify 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 the parent company's affairs as at 31 March 2013 and of the group's loss 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.

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's 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.


Heather Crosby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

17 July 2013

WHEATSHEAF INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2013

	Note	Continuing operations	Dis- continued operations	2013 Total	Continuing operations	Dis- continued operations	2012 Total
		£'000	£'000	£'000	£'000	£'000	£'000
TURNOVER	2	32,335	1,645	33,980	31,528	6,238	37,766
(In addition, share of joint venture turnover £346,000)							
Cost of Sales		(22,681)	(809)	(23,490)	(21,665)	(3,115)	(24,780)
GROSS PROFIT		9,654	836	10,490	9,863	3,123	12,986
Other operating income		350	-	350	-	-	-
Administrative expenses - other		(9,930)	(733)	(10,663)	(9,451)	(3,212)	(12,663)
Exceptional items							
Impairment of tangible fixed assets	3	-	-	-	(5,645)	(3,308)	(8,953)
Impairment of intangible fixed assets	3	-	-	-	-	(615)	(615)
Contribution to Grosvenor Pension Plan	8	(1,500)	-	(1,500)	-	-	-
Total administrative expenses		(11,430)	(733)	(12,163)	(15,096)	(7,135)	(22,231)
OPERATING (LOSS)/PROFIT	3	(1,426)	103	(1,323)	(5,233)	(4,012)	(9,245)
Share of operating (loss)/profit of joint venture investments	5	(13)	-	(13)	107	-	107
Share of operating loss of associates	4	(85)	-	(85)	(23)	-	(23)
Profit on sale of subsidiary undertaking	16	-	1,277	1,277	-	-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES		(1,524)	1,380	(144)	(5,149)	(4,012)	(9,161)
Interest receivable and similar income	9	40	-	40	64	-	64
Interest payable	10	(39)	-	(39)	(3)	-	(3)
Share of interest payable of joint venture		(13)	-	(13)	(11)	-	(11)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(1,536)	1,380	(156)	(5,099)	(4,012)	(9,111)
Tax charge on (loss)/profit on ordinary activities	11	(182)	-	(182)	(223)	-	(223)
(LOSS)/PROFIT FOR THE YEAR	28	<u>(1,718)</u>	<u>1,380</u>	<u>(338)</u>	<u>(5,322)</u>	<u>(4,012)</u>	<u>(9,334)</u>

WHEATSHEAF INVESTMENTS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 March 2013

	Note	2013 Total £'000	2012 Total £'000
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			
Group		(208)	(9,418)
Associates		(85)	(23)
Joint venture investments		(45)	107
		(338)	(9,334)
Currency translation difference on foreign currency net investments			
Joint venture investments	19	198	-
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		(140)	(9,334)

WHEATSHEAF INVESTMENTS LIMITED

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 March 2013

	2013 £'000	2012 £'000
Reported loss on ordinary activities before taxation	(156)	(9,111)
Difference between historical cost depreciation charge and the actual charge calculated on the revalued amount	(195)	(103)
Historical cost loss on ordinary activities before taxation	<u>(351)</u>	<u>(9,214)</u>
Historical cost loss on ordinary activities after taxation	<u>(533)</u>	<u>(9,437)</u>

WHEATSHEAF INVESTMENTS LIMITED

BALANCE SHEETS

As at 31 March 2013


	Note	Group 2013 £'000	Group 2012 £'000	Company 2013 £'000	Company 2012 £'000
FIXED ASSETS					
Intangible assets	12	573	531	-	-
Tangible assets	13	10,818	9,711	7	-
Investments					
Subsidiary undertakings	14	-	-	21,264	21,442
Other fixed asset investments	17	898	-	808	-
Associates	18	806	2,475	757	2,498
Joint ventures					
At cost (company only)		-	-	4,958	-
Goodwill		1,017	-	-	-
Share of gross assets		5,469	1,075	-	-
Share of gross liabilities		(1,360)	(1,022)	-	-
Loans		830	965	-	-
	19	5,956	1,018	4,958	-
		<u>19,051</u>	<u>13,735</u>	<u>27,794</u>	<u>23,940</u>
CURRENT ASSETS					
Stocks	20	4,151	5,849	-	-
Debtors – due within one year	21	8,423	8,635	159	-
Debtors – due after more than one year	21	316	447	-	-
Investments	22	1	1	-	-
Cash at bank and in hand	23	4,270	3,845	195	-
		<u>17,161</u>	<u>18,777</u>	<u>354</u>	<u>-</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	24	<u>(11,373)</u>	<u>(11,044)</u>	<u>(3,436)</u>	<u>(2,528)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>5,788</u>	<u>7,733</u>	<u>(3,082)</u>	<u>(2,528)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,839</u>	<u>21,468</u>	<u>24,712</u>	<u>21,412</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	25	<u>(3,511)</u>	<u>-</u>	<u>(3,500)</u>	<u>-</u>
NET ASSETS		<u>21,328</u>	<u>21,468</u>	<u>21,212</u>	<u>21,412</u>
CAPITAL AND RESERVES					
Called up share capital	27	10,814	10,814	10,814	10,814
Share premium account	28	29	29	29	29
Investment revaluation reserve	28	198	-	-	-
Merger capital reserve	28	12,344	12,522	12,344	12,522
Profit and loss account	28	(2,057)	(1,897)	(1,975)	(1,953)
SHAREHOLDERS' FUNDS	29	<u>21,328</u>	<u>21,468</u>	<u>21,212</u>	<u>21,412</u>

These financial statements of Wheatsheaf Investments Limited, with company registration number 3221116, were approved by the Board of Directors on 11th July 2013

Signed on behalf of the Board of Directors


Graham P Ramsbottom

Director


Peter L Doyle

Director

WHEATSHEAF INVESTMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2013

	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Net cash inflow from operating activities	30		1,845		3,926
Returns on investments and servicing of finance					
Interest received		40		64	
Interest paid		(39)		(3)	
Dividend received from joint venture undertaking		15		15	
Net cash inflow from returns on investments and servicing of finance			16		76
Taxation			(120)		(222)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(5)		(12)	
Payments to acquire tangible fixed assets		(3,350)		(3,110)	
Payments to acquire fixed assets investments		(898)		-	
Receipts from sale of tangible fixed assets		958		395	
Loan repayment/(advanced) to joint venture undertaking		135		(135)	
Net cash outflow from capital expenditure and financial investment activities			(3,160)		(2,862)
Acquisitions					
Purchase of subsidiary undertakings		(258)		-	
Sale of subsidiary undertakings		2,076		-	
Net cash balances disposed of with subsidiary undertakings		(117)		-	
Investment in associates/joint ventures		(3,351)		(2,498)	
			(1,650)		(2,498)
Net cash outflow before management of liquid resources and financing			(3,069)		(1,580)
Management of liquid resources					
Cash withdrawn from deposit		-		2,511	
Net cash inflow from management of liquid resources			-		2,511
Financing					
Capital element of finance lease payments		(6)		(26)	
New unsecured loan		3,500		-	
Net cash inflow/(outflow) from financing			3,494		(26)
Increase in cash in the year	31, 32		425		905

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principal accounting policies adopted are described below. They have been applied consistently throughout the current and previous years.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified by the revaluation of leasehold property, and on a going concern basis.

Going concern

After making enquiries, including consideration of the budget, and in view of the positive cash balance, the Directors have a reasonable expectation that despite the current uncertainties in the economic environment the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. The Company has elected under Section 408 of the Companies Act 2006 not to include its own profit and loss account in these financial statements. The loss of the Company for the year ended 31 March 2013 was £200,000 (2012 – loss £9,399,000).

Turnover

Turnover, which is recognised on an accruals basis, comprises gross income net of VAT arising from the farming and breeding products, hotel, garden centre and insurance broking operations. Turnover is recognised at the point the service or goods are provided.

Fixed asset investments, joint ventures and associates

Investments held as fixed assets in the Group and Company financial statements are stated at cost less provision for impairment.

In the Group financial statements the investments in joint ventures are accounted for using the gross equity method. The consolidated profit and loss account includes the group's share of joint venture profits less losses while the Group's share of the net assets of the joint venture is shown in the consolidated balance sheet. Goodwill arising on the acquisition is accounted for in accordance with the policy set out below. Any unamortised goodwill is included in the carrying value of the investment in joint ventures.

In the Group financial statements investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of associates' profit less losses whilst the Group's share of the net assets of the associates is shown in the consolidated balance sheet. Goodwill arising on the acquisition is accounted for in accordance with the policy set out below. Any unamortised goodwill is included in the carrying value of the investment in associates.

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation and provision for impairment in value. They are amortised on a straight line basis over their expected useful economic lives.

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, associates and joint ventures, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and provision for impairment.

Depreciation is provided on leasehold buildings on a straight line basis over the term of the lease. Leasehold improvements, plant and equipment and bulls are depreciated on a straight line basis so as to spread their cost over their useful economic lives, at rates varying between 10% and 100% per annum. The dairy herd, representing cows used for milk production, is included as a fixed asset and is depreciated on a straight line basis at a rate of 12½% per annum.

Depreciation is not provided on assets under the course of construction.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Operating lease rentals are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Trading stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents the purchase price of materials and goods for resale. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. The valuation of home-grown produce is based upon direct costs related to the production and a proportion of attributable indirect costs.

Current asset investments

These comprise cash deposits which are not accessible on demand and investment in a liquidity fund.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the closing rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets are reported in the statement of total recognised gains and losses and recorded in the Investment revaluation reserve. All other exchange differences are included in the profit and loss account.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Surrender of tax losses between group companies, by means of group relief, is done so for no consideration.

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

1. ACCOUNTING POLICIES (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, differences are expected to reverse, based on tax and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

The defined benefit pension scheme which certain of the Group's employees are members of is a multi-employer scheme and the group's share of the underlying assets and liabilities cannot be identified. Therefore FRS 17 'Retirement Benefits' requires that the scheme is accounted for in the same way as a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either in accruals or prepayments in the balance sheet.

Research and development expenditure

Research and development expenditure is charged to the profit and loss account as incurred.

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

2. SEGMENTAL ANALYSIS - GROUP

	Turnover		Profit/(loss) before taxation		Net assets	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Continuing operations						
Hotel	7,021	6,783	(621)	(6,903)	5,139	5,375
Farming and breeding products	21,646	21,197	915	1,532	11,706	10,842
Insurance broking	3,664	3,544	1,495	1,464	(996)	(838)
Fund management	4	4	0	(2)	58	63
Holding companies	-	-	(3,227)	(1,167)	(1,341)	2,782
Share of joint ventures	-	-	(13)	-	5,956	-
Share of associate	-	-	(85)	(23)	806	2,475
	<u>32,335</u>	<u>31,528</u>	<u>(1,536)</u>	<u>(5,099)</u>	<u>21,328</u>	<u>20,699</u>
Discontinued operations:						
Garden Centre	1,645	6,238	1,380	(4,012)	-	769
	<u>33,980</u>	<u>37,766</u>	<u>(156)</u>	<u>(9,111)</u>	<u>21,328</u>	<u>21,468</u>

All business activities during the year, apart from one of the two joint ventures, are based in the United Kingdom. This joint venture's business activities are based in Slovakia.

3. OPERATING LOSS

	2013 £'000	2012 £'000
Operating loss is stated after charging		
Exceptional impairment of fixed assets	-	9,568
Exceptional contribution to Grosvenor Pension plan (see note 8)	1,500	-
Depreciation of tangible fixed assets - owned	1,328	1,862
- leased / hire purchase	2	22
Amortisation of goodwill and other intangibles	97	127
Loss on sale of fixed assets	26	157
Operating lease rentals		
Land and buildings	943	911
Plant and machinery	282	261
Research and development	35	1
Exchange rate losses	68	30
The analysis of auditor's remuneration is as follows		
Fees payable to the company's auditor for the audit of the Company's annual financial statements	18	15
Fees payable to the Company's auditor and its associates for other services to the group. The audit of the Company's subsidiaries	92	98
Total audit fees	<u>110</u>	<u>113</u>
FSA audit	5	4
Due diligence review	-	50
Other advisory services	-	1
Total non-audit fees	<u>5</u>	<u>55</u>

Fees payable to the Company's auditor and its associates for non-audit services to the Company are not required to be disclosed because the consolidated statements are required to disclose such fees on a consolidated basis.

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

4. SHARE OF ASSOCIATES' OPERATING LOSS

	2013 £'000	2012 £'000
Share of operating (loss)/profit	(70)	1
Exchange loss	-	(19)
	<u>(70)</u>	<u>(18)</u>
Amortisation of goodwill	(15)	(5)
	<u>(85)</u>	<u>(23)</u>

5. SHARE OF JOINT VENTURES' OPERATING (LOSS) / PROFIT

	2013 £'000	2012 £'000
Share of operating profit	21	107
Amortisation of goodwill	(34)	-
	<u>(13)</u>	<u>107</u>

6. EMPLOYEE INFORMATION

	2013 £'000	2012 £'000
Wages and salaries	9,923	10,105
Social security costs	1,140	988
Pension costs		
Defined benefit schemes	2,826	1,426
Defined contribution schemes	64	69
	<u>13,953</u>	<u>12,588</u>
Average number of employees by business	Number	Number
Hotel	120	124
Farming and breeding products	188	156
Insurance broking	16	17
Garden centre (discontinued operation)	-	82
Holding companies	6	-
	<u>330</u>	<u>379</u>

7. DIRECTORS' REMUNERATION

The directors were not employed during the current or preceding year by Wheatsheaf Investments Limited or its subsidiaries. For directors remunerated by a Grosvenor Trust it is not practical to allocate the remuneration of the directors between their services as directors of Wheatsheaf Investments Limited and their services as directors of other entities.

	2013 Number	2012 Number
Number of Directors who were members of the defined benefit pension scheme	<u>2</u>	<u>2</u>

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

8. PENSION SCHEMES

The Wheatsheaf Investments Group does not maintain a separate pension scheme. Its employees are members of the Grosvenor Pension Plan (the 'Plan'), a defined benefit scheme, and a separate stakeholder defined contribution scheme. Both schemes are administered by independent trustees.

The Plan is open to all staff of the Group, the Grosvenor Rural Estates and the UK subsidiaries of Grosvenor Group Limited. It provides a defined benefit pension up to an upper earnings limit. Above this limit the Group contributes between 25% and 30% of that tranche of salary into a stakeholder arrangement.

Independent qualified actuaries complete valuations of the Plan at least every three years and contributions are paid to the Plan in line with a Schedule of Contributions agreed between the trustees of the Plan and the company. The most recent full actuarial valuation was carried out at 31 December 2011, the results of which have been taken into account in the FRS17 analysis below.

Although the Plan is a defined benefit scheme, it is a multi employer scheme and the company's share of the underlying assets and liabilities cannot be identified. As a result, FRS 17 requires that the Plan is accounted for as if it were a defined contribution scheme. Actuarial valuations for the Plan as a whole have been updated to 31 December 2012 by an independent qualified actuary, in accordance with the basis set out in FRS 17, and included below is an analysis of the deficit indicated by that valuation together with the major assumptions used by the actuary.

The following analysis relates to the whole of the Grosvenor Pension Plan including that element that relates to non company employees.

	31 Dec 2012 £m		31 Dec 2011 £m		31 Dec 2010 £m	
Pension scheme deficit before tax	<u>(10 5)</u>		<u>(13 7)</u>		<u>(19 6)</u>	
Assets in the scheme and the expected rates of return						
	31 Dec 2012		31 Dec 2011		31 Dec 2010	
	Value £m	Long-term rate of expected return	Value £m	Long-term rate of expected return	Value £m	Long-term rate of expected return
Equities	138 9	6 7%	122 0	6 8%	115 1	7 4%
Gilts	33 8	3 8%	31 8	3 7%	29 8	4 6%
Other	2 4	3 0%	2 3	3 0%	1 8	4 2%
	<u>175 1</u>		<u>156 1</u>		<u>146 7</u>	
Present value of scheme liabilities	<u>(185 6)</u>		<u>(169 8)</u>		<u>(166 3)</u>	
Pension scheme deficit before tax	(10 5)		(13 7)		(19 6)	
Related deferred tax asset	<u>2 4</u>		<u>3 4</u>		<u>5 5</u>	
Deficit in scheme	(8 1)		(10 3)		(14 1)	

Major assumptions used by the actuary were:

	31 Dec 2012	31 Dec 2011	31 Dec 2010
Rate of increase in salaries	4.7%	4.3-5.3%	4.5-7.5%
Rate of increase in pensions payment	3.2%	3.3%	3.5%
Discount rate	4.5%	4.8%	5.4%
Inflation	3.2%	3.3%	3.5%

The Plan pension cost charge to the Wheatsheaf Investments Group amounted to £2,776,000 (2012 - £1,426,000). This cost included an additional contribution to the scheme of £1,500,000 (2012 - £nil) made by Deva Group Limited on advice of the actuary and with agreement of the Plan Trustees and Deva Group Limited. £750,000 was paid during the year and a provision has been made for the remaining sum which is payable in December 2013. The Group's contribution to the defined contribution scheme for the year was £64,000 (2012 - £69,000).

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£'000	£'000
Bank interest	27	53
Other interest	13	11
	<u>40</u>	<u>64</u>

10. INTEREST PAYABLE

	2013	2012
	£'000	£'000
Bank overdraft and loan interest	39	3
	<u>39</u>	<u>3</u>

11. TAX ON LOSS ON ORDINARY ACTIVITIES

	2013	2012
	£'000	£'000
Analysis of tax charge on current activities		
Current tax - United Kingdom corporation tax charge at 24% (2012 - 26%) based on profit for the year	-	209
Deferred taxation	153	-
	<u>153</u>	<u>209</u>
Adjustment in respect of prior years – current tax	10	(5)
	<u>163</u>	<u>204</u>
Share of tax charge of joint venture		
Current year		
- Current tax	10	7
- Deferred tax	9	12
Prior year		
- Current tax	(7)	-
- Deferred tax	7	-
	<u>182</u>	<u>223</u>

Factors affecting current tax charge for the year

The current tax assessed for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013	2012
	£'000	£'000
Loss on ordinary activities before tax	(156)	(9,111)
Tax credit on loss on ordinary activities at the standard rate	(37)	(2,369)
Expenses not deductible for tax purposes	92	91
Depreciation on non qualifying fixed assets	17	109
Capital allowances (in excess of)/less than depreciation	(8)	361
Utilisation of tax losses	(40)	(114)
Other short term timing differences	275	99
Adjustment in respect of prior years	3	(5)
Fixed asset impairments	-	2,033
Share of operating profit/loss of associate	20	6
Profit on disposal of subsidiary	(306)	-
Difference in tax rate applicable to joint venture	(3)	-
	<u>13</u>	<u>211</u>
Current tax charge on loss on ordinary activities	13	211

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

11. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Factors that may affect the future tax charge

A deferred tax asset of £1,135,000 (2012 - £1,179,000) has not been recognised in respect of timing differences relating to fixed assets of £312,000 (2012 - £533,000), losses carried forward of £645,000 (2012 - £646,000) and short term timing differences of £178,000 (2012 - £nil) as there is insufficient evidence that the asset will be recovered. A deferred tax liability on short term timing differences of £nil (2012 - £133,000) has not been provided for but is set against the unrecognised deferred tax asset.

On 22 March 2013, the government announced that it intends to further reduce the rate of corporation tax to 23% with effect from 1 April 2013, 21% from 1 April 2014 and 20% from 2015. If the deferred tax assets and liabilities were all to reverse after 1 April, the effect of the future changes from 23% to 20% would be to reduce the net deferred tax asset provided on the balance sheet by £14,000 and the net unprovided deferred tax asset by £148,000.

12. INTANGIBLE FIXED ASSETS - GROUP

	Goodwill £'000	Milk quota £'000	Licences £'000	Total £'000
Cost				
At 1 April 2012	1,189	2,005	518	3,712
Additions	134	-	5	139
Disposals	(767)	-	-	(767)
At 31 March 2013	<u>556</u>	<u>2,005</u>	<u>523</u>	<u>3,084</u>
Amortisation				
At 1 April 2012	791	2,005	385	3,181
Charge for the year	26	-	71	97
Disposals	(767)	-	-	(767)
At 31 March 2013	<u>50</u>	<u>2,005</u>	<u>456</u>	<u>2,511</u>
Net book value				
At 31 March 2013	<u>506</u>	<u>-</u>	<u>67</u>	<u>573</u>
At 31 March 2012	<u>398</u>	<u>-</u>	<u>133</u>	<u>531</u>

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

13. TANGIBLE FIXED ASSETS - GROUP

	Leasehold property and improvements £'000	Plant and equipment £'000	Herd £'000	Asset under construction £'000	Total £'000
Cost or valuation					
At 1 April 2012	17,397	17,268	2,030	-	36,695
Additions	514	1,133	714	1,004	3,365
Acquisition of subsidiary undertaking	3	68	9	-	80
Disposal of subsidiary undertaking	(5,816)	(1,832)	-	-	(7,648)
Disposals	(475)	(364)	(663)	-	(1,502)
At 31 March 2013	11,623	16,273	2,090	1,004	30,990
Depreciation					
At 1 April 2012	13,214	13,562	208	-	26,984
Charge for the year	171	892	267	-	1,330
Acquisition of subsidiary undertaking	3	33	1	-	37
Disposal of subsidiary undertaking	(5,816)	(1,832)	-	-	(7,648)
Disposals	(1)	(281)	(249)	-	(531)
At 31 March 2013	7,571	12,374	227	-	20,172
Net book value					
At 31 March 2013	4,052	3,899	1,863	1,004	10,818
At 31 March 2012	4,183	3,706	1,822	-	9,711

The Chester Grosvenor Hotel's leasehold property was valued by Gerald Eve, Chartered Surveyors, on 31 December 1995 at £8 million at open market value and is included in the accounts at this valuation plus the cost of subsequent additions. The Directors took advantage of FRS15 "Tangible Fixed Assets" to retain the leasehold property at this valuation and as such the value has not been updated. The Directors consider the current open market value of the hotel to be not less than the carrying value in the accounts. The cost of the Hotel's leasehold property at 31 March 2013 is £14.3 million under the historical cost convention (2012 - £14.3 million).

Included in plant and equipment are assets held under hire purchase contracts having a net book value of £13,000 (2012 - £22,000).

TANGIBLE FIXED ASSETS - COMPANY

	Plant and equipment £'000	Total £'000
Cost		
At 1 April 2012	-	-
Additions	7	7
At 31 March 2013	7	7
Depreciation		
At 1 April 2012 and 31 March 2013	-	-
Net book value		
At 31 March 2013	7	7
At 31 March 2012	-	-

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

14. SUBSIDIARY UNDERTAKINGS

Company	2013 £'000
Shares at cost	
At 1 April 2012 and 31 March 2013	<u>40,477</u>
Provisions for impairment	
At 1 April 2012	19,035
Provision	<u>178</u>
At 31 March 2013	<u>19,213</u>
Net book value	
At 31 March 2013	<u>21,264</u>
At 31 March 2012	<u>21,442</u>

Consistent with previous years, the directors have reviewed the carrying value of the investments held by Wheatsheaf Investments Limited and considered whether any investments in subsidiaries are impaired by reference to the recoverable amounts

A provision of £178,000 (2012 - £9,399,000) against the investment in Deva Group Limited has been made, which brings the net investment in line with the consolidated net assets of the Deva Group Limited sub-group

The subsidiary undertakings and their principal activities at 31 March 2013 were as follows To avoid a statement of excessive length, details of investments which are not significant are not included

	Principal activity	% Owned
Deva Group Limited *	(Holding company)	100
Wheatsheaf Investment Management Limited *	(Investment management company)	100
Grosvenor Green Energy Limited *	(Holding company)	100
Chester Grosvenor Hotel Company Limited	(Hotel & restaurants)	100
Grosvenor Farms Limited	(Farming)	100
Cogent Breeding Limited	(Cattle)	100
Realty Insurances Limited	(Insurance broking)	100
World Wide Sires UK Limited	(Cattle breeding)	100
Dairy Daughters Limited	(Cattle breeding)	100
Five Star Breeders Limited	(Cattle breeding)	100

Each of the above companies is incorporated in Great Britain and is indirectly owned unless marked with an asterisk to signify that it is directly held All interests are in the form of ordinary shares

On 26 June 2012 Deva Group Limited, the immediate parent company of Grosvenor Garden Centre Limited, completed the sale of its entire issued share capital in this subsidiary

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

15. ACQUISITION OF SUBSIDIARY UNDERTAKINGS

On 30 April 2012 the group acquired 100% of the issued share capital of Five Star Breeders Limited for consideration of £258,000 (including costs). Acquisitions are accounted for under the acquisition method.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group.

	Book value and fair value to Group £'000
Fixed assets	
Tangible	48
Current assets	
Stocks	99
Debtors	150
Cash	1
Total assets	<u>298</u>
Creditors	
Hire purchase	(7)
Trade creditors	(77)
Other creditors	(72)
Accruals	(14)
Provisions	
Taxation	(4)
Total liabilities	<u>(174)</u>
Net assets	124
Goodwill	134
	<u>258</u>
Satisfied by	
Cash consideration	250
Acquisition costs	8
	<u>258</u>
	£'000
Cash consideration (including costs)	258
Cash at bank and in hand acquired	(1)
	<u>257</u>

Cost of Sales of £22,681,000 from continuing operations in the profit and loss account comprises £200,000 from Acquisitions and £22,481,000 from Existing Operations. Administrative expenses of £9,930,000 from continuing operations comprise £281,000 from Acquisitions and £9,649,000 from Existing Operations.

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

16. SALE OF SUBSIDIARY UNDERTAKING

On 26 June 2012 the Group sold its 100% interest of the ordinary share capital of Grosvenor Garden Centre Limited. The profit of Grosvenor Garden Centre up to the date of disposal was £103,000.

Net assets disposed of and the related sale proceeds were as follows	£'000
Net assets disposed	<u>799</u>
Profit on sale	<u>1,277</u>
Sale proceeds	
Satisfied by	
Cash	<u>2,076</u>

17. FIXED ASSET INVESTMENTS

	Group £'000	Company £'000
Fixed asset investments held at cost		
At 1 April 2012	-	-
Additions		
Zouk Capital LLP ("Zouk")	808	808
Torrential Potential Limited	90	-
	<u>898</u>	<u>808</u>
At 31 March 2013		

On 29 March 2012 the Company signed a subscription agreement with Zouk Capital LLP ("Zouk") to invest a total of €10,000,000 into Zouk's Renewable Energy and Environmental Infrastructure Fund II. At 31 March 2013 the Company has invested €1,000,000 into the fund.

On 27 March 2013 the Group purchased 45,000 ordinary shares in Torrential Potential Limited, a hydro power electricity generation company, for £90,000. At 31 March 2013 the Group held a 10% interest in the shares of the company.

18. ASSOCIATES

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Share of net assets/cost	(32)	462	1,888	2,498
Loans to associates	417	295	-	-
Goodwill	421	-	587	-
	<u>806</u>	<u>757</u>	<u>2,475</u>	<u>2,498</u>
Net book value				

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

18. ASSOCIATES (continued)

During the year the Company increased its shareholding in Tatra Holdings Limited from 20 40% to 31 15% This resulted in a reclassification of this investment from associate to joint venture

On 7 August 2012 the Company purchased 179,825 ordinary shares in Gilkes Energy Limited, a hydro power electricity generation project developer, for £430,000 excluding acquisition costs At 31 March 2013 the Group held a 25% interest in the shares of the company The following information is given in respect of the share of this investment

	Group £'000	Company £'000
Share of net assets / cost		
At 1 April 2012	-	-
Addition	39	462
Share of retained loss for the period	(69)	-
At 31 March 2013	(30)	462
Loan		
At 1 April 2012	-	-
Loan advanced	420	420
Loan repaid	(125)	(125)
At 31 March 2013	295	295
Goodwill		
At 1 April 2012	-	-
Addition	424	
Amortisation	(14)	
At 31 March 2013	410	
Net book value		
At 31 March 2013	675	757
At 31 March 2012	-	-

The following information is given in respect of the Group's share of Gilkes Energy Limited

	2013 £'000
Turnover	-
Fixed assets	4
Long term assets	21
Current assets	273
Liabilities due within one year	(33)
Liabilities due after one year	(295)

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

18. ASSOCIATES (continued)

On 18 September 2012 the Group purchased 2,500 ordinary shares in Gilkes Energy (Ederline Hydro) Limited, a company that has invested into a hydro power electricity generation company, for £2,500 excluding acquisition costs. At 31 March 2013 the group held a 25% interest in the shares of the company. The following information is given in respect of the share of this investment

	Group £'000	Company £'000
Share of net assets / cost		
At 1 April 2012	-	-
Addition	(1)	12
Disposal	-	(12)
Share of retained loss for the period	(1)	-
	<hr/>	<hr/>
At 31 March 2013	(2)	-
	<hr/>	<hr/>
Loan		
At 1 April 2012	-	-
Loan advanced	122	122
Loan repaid	-	(122)
	<hr/>	<hr/>
At 31 March 2013	122	-
	<hr/>	<hr/>
Goodwill		
At 1 April 2012	-	-
Addition	12	-
Amortisation	(1)	-
	<hr/>	<hr/>
At 31 March 2013	11	-
	<hr/>	<hr/>
Net book value		
At 31 March 2013	131	-
	<hr/>	<hr/>
At 31 March 2012	-	-
	<hr/>	<hr/>

The following information is given in respect of the Group's share of Gilkes Energy (Ederline Hydro) Limited

	2013 £'000
Turnover	-
	<hr/>
Fixed assets	(4)
	<hr/>
Current assets	125
	<hr/>
Liabilities due after one year	(123)
	<hr/>

During the year Wheatsheaf Investments Limited invested into Gilkes Energy (Ederline Hydro) Limited for consideration of £134,000 (including loans and acquisition costs). Prior to the year end this investment was transferred from Wheatsheaf Investments Limited to Grosvenor Green Energy Limited at cost.

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

19. JOINT VENTURES

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Share of net assets/cost	4,109	4,958	53	-
Loans to joint ventures	830	-	965	-
Goodwill	1,017	-	-	-
	<u>5,956</u>	<u>4,958</u>	<u>1,018</u>	<u>-</u>
Net book value				

In 2009/10 the Group invested in a joint venture, Merkland and Reay Forest Hydro Limited, in which a 50% interest is held. The following information is given in respect of the share of this investment

	Group £'000
Share of net assets	
At 1 April 2012	52
Share of retained profit for the period	55
	<u>107</u>
At 31 March 2013	
Loan	
At 1 April 2012	965
Loan repayment	(135)
	<u>830</u>
At 31 March 2013	
Net book value	
At 31 March 2013	937
	<u>1,018</u>
At 1 April 2012	

Detailed below is the Group's share of Merkland and Reay Forest Hydro Limited

Group share of	2013 £000	2012 £'000
Turnover	165	146
Profit before tax	89	96
Taxation	(18)	(19)
Profit after tax	70	77
Fixed assets	918	957
Current assets	64	118
Liabilities due within one year	(96)	(112)
Liabilities due after more than one year	(779)	(910)

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

19. JOINT VENTURES (continued)

In 2011/12 the Company invested in an associate, Tatra Holdings Limited, a company whose primary activity is investment into dairy farming in Slovakia. During the year the company purchased 1,900,000 series B non-redeemable preference shares in Tatra Holdings Limited for €2,850,000 which was in addition to the 1,900,000 series B non-redeemable preference shares purchased in the prior year. The second tranche of investment increased the Company's interest from 20.40% to 31.15% which resulted in the reclassification of this investment from associate to joint venture.

	Group £'000	Company £'000
Share of net assets / cost		
At 1 April 2012	1,888	2,498
Addition	1,997	2,460
Share of retained loss for the period	(122)	-
Exchange movements	239	-
	<hr/>	<hr/>
At 31 March 2013	4,002	4,958
	<hr/>	<hr/>
Goodwill		
At 1 April 2012	587	
Addition	464	
Amortisation	(34)	
	<hr/>	
At 31 March 2013	1,017	
	<hr/>	
Net book value		
At 31 March 2013	5,019	4,958
	<hr/>	<hr/>
At 31 March 2012	2,475	2,498
	<hr/>	<hr/>

Detailed below is the Group's share of Tatra Holdings Limited

Group share of	2013
	£'000
Turnover	181
Loss before tax	(122)
Taxation	-
Loss after tax	(122)
Fixed assets	3,327
Current assets	1,160
Liabilities due within one year	(485)
	<hr/>

20. STOCKS

	Group		Company	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Livestock	630	707	-	-
Consumables	1,288	1,337	-	-
Growing crops	514	783	-	-
Breeding products	1,000	1,044	-	-
Goods for resale	719	1,978	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,151	5,849	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

The replacement value is not materially different from the above

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

21. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	7,218	6,055	-	-
Amounts owed by group companies	-	-	133	-
Other debtors	350	986	-	-
Prepayments and accrued income	740	1,334	26	-
Corporation tax	8	-	-	-
Deferred tax (note 26)	107	260	-	-
	<u>8,423</u>	<u>8,635</u>	<u>159</u>	<u>-</u>
Amounts falling due after one year				
Prepayments	10	20	-	-
Other debtors	306	427	-	-
	<u>316</u>	<u>447</u>	<u>-</u>	<u>-</u>

22. CURRENT ASSET INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Short term deposits	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

23. CASH AT BANK AND IN HAND

Included within cash at bank and in hand on the balance sheet is £2,138,000 (2012 - £2,088,000) held in separately designated Non-Statutory Trust Client Accounts in accordance with the Financial Services Authority's regulatory requirement

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade creditors	6,845	7,465	-	-
Obligations under hire purchase contracts	6	9	-	-
Corporation tax	-	102	-	-
Other creditors	343	208	26	-
Amounts due to group companies	-	-	3,407	2,528
Taxes and social security	768	740	-	-
Accruals and deferred income	3,411	2,520	3	-
	<u>11,373</u>	<u>11,044</u>	<u>3,436</u>	<u>2,528</u>

WHEATSHEAF INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2013

25. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Loan notes payable				
Between two and five years	3,500	-	3,500	-
Hire purchase lease payments payable				
Between two and five years	11	-	-	-
	<u>3,511</u>	<u>-</u>	<u>3,500</u>	<u>-</u>

26. DEFERRED TAX

Group Deferred tax asset	2013	2012
	£'000	£'000
Balance brought forward	260	260
Charge to profit and loss account	(153)	-
Balance carried forward (note 21)	<u>107</u>	<u>260</u>

The analysis of the deferred tax asset is as follows

	2013	2012
	£'000	£'000
Losses carried forward	<u>107</u>	<u>260</u>

27. ALLOTTED, CALLED UP AND FULLY PAID SHARE CAPITAL

Group and Company	Number of shares	£'000
At 31 March 2012 and 2013		
Equity interests		
Ordinary shares of 10p each	10,813,821	1,081
Non-voting shares of 10p each	86,510,568	8,652
12% Non-cumulative irredeemable preference shares of 10p each	10,813,821	1,081
	<u>108,138,210</u>	<u>10,814</u>

Rights of classes of shares

Profits determined by the Directors as available for distribution are to be applied first in paying a fixed non-cumulative dividend of 12% per annum on the amounts paid up on 12% non-cumulative irredeemable preference shares. The balance of profits for distribution is payable to the holders of the ordinary shares and non-voting ordinary shares in proportion to the amounts paid up on their shares.

On a return of the company's assets to shareholders, the assets are to be applied first in repaying to the holders of the 12% non-cumulative irredeemable preference shares other amounts paid up on their shares. The balance of the assets is payable to the holders of the ordinary shares and non-voting ordinary shares in proportion to the amounts paid up on their shares.

Holders of the 12% non-cumulative irredeemable preference shares and non-voting shares are not entitled to vote at general meetings of the members of the company except on resolutions varying or abrogating any of the special rights or privileges attaching to their shares.

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28. RESERVES

	Share premium account £'000	Investment revaluation reserve £'000	Merger capital reserve £'000	Profit and loss account £'000
Group				
At 1 April 2012	29	-	12,522	(1,897)
Loss for the financial year	-	-	-	(338)
Currency translation	-	198	-	-
Transfer between reserves	-	-	(178)	178
	<u>29</u>	<u>198</u>	<u>12,344</u>	<u>(2,057)</u>
At 31 March 2013	29	198	12,344	(2,057)

The transfer between reserves relates to the impairment provision against fixed assets as the original merger reserve arose in respect of one of those investments

	Share premium account £'000	Merger capital reserve £'000	Profit and loss account £'000
Company			
At 1 April 2012	29	12,522	(1,953)
Loss for the financial year	-	-	(200)
Transfer between reserves	-	(178)	178
	<u>29</u>	<u>12,344</u>	<u>(1,975)</u>
At 31 March 2013	29	12,344	(1,975)

29. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Group		
Opening shareholders' funds	21,468	30,802
Loss for the year	(338)	(9,334)
Other recognised gains relating to the year	198	-
Closing shareholders' funds	<u>21,328</u>	<u>21,468</u>
	2013 £'000	2012 £'000
Company		
Opening shareholders' funds	21,412	30,811
Loss for the year	(200)	(9,399)
Closing shareholders' funds	<u>21,212</u>	<u>21,412</u>

30. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating loss	(1,323)	(9,245)
Depreciation and provision for impairment	1,330	11,452
Amortisation	97	127
Loss on disposal of fixed assets	26	157
Decrease/(increase) in trading stocks	446	(280)
Decrease/(increase) in debtors	130	(1,001)
Increase in creditors	1,139	2,716
Net cash inflow from operating activities	<u>1,845</u>	<u>3,926</u>

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31. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013	2012
	£'000	£'000
Increase in cash in the year	425	905
Cash inflow from decrease in liquid resources	-	(2,511)
Cash used to repay hire purchase debt	6	26
Loan notes issued	(3,500)	-
Change in net funds resulting from cash flows	(3,069)	(1,580)
Hire purchase contracts acquired	(14)	-
Movement in net funds in year	(3,083)	(1,580)
Net funds at 1 April 2012	3,837	5,417
Net funds at 31 March 2013	<u>754</u>	<u>3,837</u>

32. ANALYSIS OF NET FUNDS

	At 1 April	Cash flow	Acquisitions	At 31 March
	2012			2013
	£'000	£'000	£'000	£'000
Cash at bank and in hand	3,845	425	-	4,270
Debt due within one year	(9)	6	(3)	(6)
Debt due after one year	-	-	(11)	(11)
Loan notes issued	-	(3,500)	-	(3,500)
Current asset investments	1	-	-	1
	<u>3,837</u>	<u>(3,069)</u>	<u>(14)</u>	<u>754</u>

33. COMMITMENTS AND POST BALANCE SHEET EVENTS

The Group was committed to make the following annual payments in respect of non-cancellable operating leases which expire

	2013		2012	
	Land and buildings	Other assets	Land and buildings	Other assets
	£'000	£'000	£'000	£'000
Within one year	10	220	25	153
Within 2 to 5 years	181	164	115	180
After 5 years	710	-	633	-
	<u>901</u>	<u>384</u>	<u>773</u>	<u>333</u>

CAPITAL EXPENDITURE COMMITMENTS

	2013	2012
	£'000	£'000
Contracted for but not provided	<u>14</u>	<u>-</u>

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33. COMMITMENTS AND POST BALANCE SHEET EVENTS (continued)

INVESTMENT COMMITMENTS

On 29 March 2012 the Company signed a subscription agreement with Zouk Capital LLP ("Zouk") to invest a total of €10,000,000 into Zouk's Renewable Energy and Environmental Infrastructure Fund II. As at 31 March 2013 the Company has invested €1,000,000 into the fund and has a commitment to invest the remaining €9,000,000 before 29 March 2017.

On 12 April 2013 the Company signed an agreement to invest US \$10,000,000 into Ostara Nutrient Recovery Technologies Inc over two equal tranches, the first being paid in April 2013 and the second at a date yet to be determined. The first tranche of investment was funded by the issue of a loan note to the sum of £3,600,000 to Grosvenor Trust Finance Company.

OTHER COMMITMENTS

At the year end the Group had entered into forward contracts to sell 4,901 tonnes (2012 - 9,575 tonnes) of grain for £837,375 (2012 - £1,797,464) and to buy 1,682 tonnes (2012 - 232 tonnes) of cattle feed for £281,024 (2012 - £45,573). Post year end these commitments are being fulfilled in line with the date upon which these contracts fall due.

As at 31 March 2013 the Group had entered into forward contracts as follows:

- to convert £305,000 into Euros on 2 October 2013 at a fixed rate of €1 1571 £1 00, the fair value of the contract at 31 March 2013 was £6,532
- to purchase US \$1,200,000 at an average fixed rate of £1 6080 £1 00, the fair value of the contract at 31 March 2013 was £43,205
- to purchase US \$800,000 at an average fixed rate of \$1 6080 £1, the fair value of the contract at 31 March 2013 was £28,803
- to purchase US \$600,000 at an average rate of \$1 6080 £1, the fair value of the contract at 31 March 2013 was £21,602

Contracts entered into as at 31 March 2012 were as follows:

- to convert £375,000 into Euros on 2 October 2012 at a fixed rate of €1 134 £1 00
- to purchase US \$1,355,050 at an average fixed rate of £1 5561 £1 00
- to purchase US \$785,000 at an average fixed rate of \$1 557 £1
- to purchase US \$1,792,319 at an average rate of \$1 560 £1

34. RELATED PARTY TRANSACTIONS

The Company is wholly owned by trusts and members of the Grosvenor family headed by the Duke of Westminster.

The Group arranges insurance cover on an arm's length basis for certain Directors, members of the Grosvenor Family and Grosvenor Trusts through its insurance broking subsidiary. Aggregate premiums paid in the year were £1,217,000 (2012 - £1,081,000). In addition, insurance premiums were paid by other related parties to the Group of £11,094,000 (2012 - £12,248,000).

Rental and other administrative costs totalling £2,342,000 (2012 - £2,231,000) were paid by Group companies to a Grosvenor Trust. At 31 March 2013 Group companies owed the Trust £229,000 (2012 - £79,000). In addition, subsidiaries within the Group provided services to this Trust of £50,000 (2012 - £121,000). At 31 March 2013 the Trust owed Group companies £5,000 (2012 - £25,000).

At 31 March 2013 a Grosvenor Trust owed £nil (2012 - £302,000) to a Group company in respect of project works carried out.

Rent and management charges totalling £127,000 (2012 - £142,000) were paid to companies within Grosvenor Group Limited. At 31 March 2013 Group companies owed £nil (2012 - £1,000) to these companies. WheatSheaf Investments Limited and Grosvenor Group Limited are under common control. In addition, subsidiaries within the Group provided services to Grosvenor Group Limited of £76,000 (2012 - £81,000) and at the year end £44,000 was included in debtors in respect of this (2012 - £38,000).

There is a commitment by Grosvenor Trust Finance Company, a company under common control, to provide financial assistance to WheatSheaf Investments Limited and its subsidiaries up to £13,000,000. At 31 March 2013 loans of £3,500,000 (2012 - £nil) had been issued to WheatSheaf Investments Limited (see note 25).