Registered number: 06830076

GH2 Limited

Directors' report and financial statements

for the year ended 30 June 2013

GH2 Limited

Company Information

Directors	W R N Tapp W J Wilson-Haffenden C C Denne C J Roberts M J Sharp T E Hulme
Company secretary	Mr M Sharp
Registered number	06830076
Registered office	The Old Colliery Staple Road, Wingham Canterbury Kent CT3 1LS
Independent auditors	Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Lloyds TSB Bank plc 49 High Street Canterbury Kent CT1 2SE

GH2 Limited

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GH2 Limited

Directors' report
for the year ended 30 June 2013

The directors present their report and the financial statements for the year ended 30 June 2013

Directors' responsibilities statement

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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Principal activities

The group's principal activities are that of grain marketing, granary operations and the operation of a country store

Business review

The year was dominated by the exceptional harvest of 2012, with drought in the mid-West and appallingly wet and gloomy conditions in the UK, the wettest summer for 100 years Grain prices rose rapidly in response to the American crop shortfall, while the UK harvest, small and of very poor quality, saw a rapid switch into imported European crop The impact was felt through the supply chain, from farmer to end user, with trading patterns disrupted, and margins squeezed

The Country Store, operating for the first complete year from the new premises, has seen a steady increase in the number of customers and volume of business The Solar PV array has performed well, and particularly so when normal summer service was resumed in May and June of 2013

The 2013 harvest has been larger and of higher quality, with a return to more normal trading margins

Going concern

The Board considers that financial resources available to the group 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 loss for the year, after taxation, amounted to £185,606 (2012 - profit £180,379)

During the year, the company has paid dividends totalling £NIL (2012 £55,145)

Directors' report
for the year ended 30 June 2013

Directors

The directors who served during the year were

W R N Tapp
W J Wilson-Haffenden
C C Denne
C J Roberts
M J Sharp
T E Hulme

M J Sharp and T E Hulme retire and, being eligible, offer themselves for re-election

Land and buildings

In the prior year, an interim valuation of the land and buildings was required by FRS 15 Tangible Fixed Assets and was performed on 19 August 2012 as at 30 June 2012 by Jeremy Procter (Hons) MSc MRICS ACIArb from Bidwells LLP, a member of the Royal Institute of Chartered Surveyors on an open market existing use basis As a result of this interim valuation, it was the directors' opinion that there had not been a material change in value of land and buildings and consequently no adjustments were reflected in the prior year financial statements

Financial instruments

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

Due to the nature of the financial instruments used by the group including the use of grain futures the exposure to price risk is minimised The group'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 loan notes these comprise of short term loan notes from individuals and trusts The interest rate on the loan notes from individuals, companies and trusts are fixed The group manages the liquidity risk by ensuring there are sufficient funds when the repayments of the loan notes fall due

In respect of loans these comprise loans from financial institutions The interest rate on the loans from financial institutions are a combination of fixed rate and variable rate, the monthly repayments are fixed The group 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

GH2 Limited

Directors' report
for the year ended 30 June 2013

Disclosure 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 and the group'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 relevant audit information and to establish that the company and the group'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 4 November 2013 and signed on its behalf

M J Sharp
Director

Independent auditors' report to the shareholders of GH2 Limited

We have audited the financial statements of GH2 Limited for the year ended 30 June 2013, set out on pages 6 to 24 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 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 and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 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

Independent auditors' report to the shareholders of GH2 Limited

Matters on which we are required to report by exception

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

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

Reeves & Co LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Canterbury

5 November 2013

Consolidated profit and loss account
for the year ended 30 June 2013

	Note	2013 £	2012 £
Turnover	1,2	**52,369,073**	47,115,315
Change in stocks of finished goods and work in progress		**303,103**	129,299
Raw materials and consumables		**(51,370,970)**	(45,589,123)
Other external charges		**(434,005)**	(477,550)
Staff costs		**(779,819)**	(736,716)
Depreciation and amortisation		**(174,176)**	(148,583)
Operating (loss)/profit	3	**(86,794)**	292,642
Interest receivable and similar income		**3,656**	-
Interest payable and similar charges	6	**(136,619)**	(104,462)
(Loss)/profit on ordinary activities before taxation		**(219,757)**	188,180
Tax on (loss)/profit on ordinary activities	7	**34,151**	(7,801)
(Loss)/profit for the financial year	17	**(185,606)**	180,379

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 10 to 24 form part of these financial statements

GH2 Limited
Registered number: 06830076

Consolidated balance sheet
as at 30 June 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	8		**(803,950)**		(854,197)
Tangible assets	9		**4,684,096**		4,800,580
			3,880,146		3,946,383
Current assets					
Stocks	11	**2,006,693**		1,703,590	
Debtors	12	**7,214,924**		5,596,922	
Cash at bank and in hand		**1,904,584**		362,053	
		11,126,201		7,662,565	
Creditors: amounts falling due within one year	13	**(11,418,972)**		(7,652,039)	
Net current (liabilities)/assets			**(292,771)**		10,526
Total assets less current liabilities			**3,587,375**		3,956,909
Creditors: amounts falling due after more than one year	14		**(1,141,845)**		(1,314,793)
Provisions for liabilities					
Deferred tax	15		**(91,999)**		(102,982)
Net assets			**2,353,531**		2,539,134
Capital and reserves					
Called up share capital	16		**554**		551
Share premium account	17		**629,914**		629,914
Other reserves	17		**1,366,781**		1,366,781
Profit and loss account	17		**356,282**		541,888
Shareholders' funds	18		**2,353,531**		2,539,134

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 November 2013

M J Sharp
Director

The notes on pages 10 to 24 form part of these financial statements

GH2 Limited
Registered number: 06830076

Company balance sheet
as at 30 June 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	10		**3,305,233**		3,305,233
Current assets					
Debtors	12	**12,789**		15,810	
Cash at bank		**4,153**		861	
		16,942		16,671	
Creditors amounts falling due within one year	13	**(210,880)**		(242,001)	
Net current liabilities			**(193,938)**		(225,330)
Total assets less current liabilities			**3,111,295**		3,079,903
Creditors: amounts falling due after more than one year	14		**(729,941)**		(864,241)
Net assets			**2,381,354**		2,215,662
Capital and Reserves					
Called up share capital	16		**554**		551
Share premium account	17		**629,914**		629,914
Other reserves	17		**1,366,781**		1,366,781
Profit and loss account	17		**384,105**		218,416
Shareholders' funds	18		**2,381,354**		2,215,662

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 November 2013

M J Sharp
Director

The notes on pages 10 to 24 form part of these financial statements

GH2 Limited

Consolidated cash flow statement
for the year ended 30 June 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	**1,154,618**	(162,317)
Returns on investments and servicing of finance	21	**(133,246)**	(102,646)
Taxation		**(18,219)**	(7,323)
Capital expenditure and financial investment	21	**(107,939)**	(453,082)
Equity dividends paid		**-**	(55,145)
Cash inflow/(outflow) before financing		**895,214**	(780,513)
Financing	21	**647,317**	(340,697)
Increase/(Decrease) in cash in the year		**1,542,531**	(1,121,210)

Reconciliation of net cash flow to movement in net funds/debt
for the year ended 30 June 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	**1,542,531**	(1,121,210)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	**(647,314)**	340,697
Change in net debt resulting from cash flows	**895,217**	(780,513)
New hire purchase contract	**-**	(48,240)
Movement in net debt in the year	**895,217**	(828,753)
Net debt at 1 July 2012	**(1,344,426)**	(515,673)
Net debt at 30 June 2013	**(449,209)**	(1,344,426)

The notes on pages 10 to 24 form part of these financial statements

Notes to the financial statements
for the year ended 30 June 2013

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of GH2 Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 Going concern

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

As highlighted in notes 13 and 14 to the financial statements, the group meets its day to day working capital requirements through bank loans, debenture loans and an overdraft facility

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

After making enquiries, the directors have a reasonable expectation that the group 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

1.4 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, 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 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 of 20 years

1. Accounting policies (continued)

1.6 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

1.7 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

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives Assets acquired by hire purchase are depreciated over their useful lives Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1.10 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

Notes to the financial statements
for the year ended 30 June 2013

1 Accounting policies (continued)

1.11 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

1 12 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

1.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.14 Pensions

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

2. Turnover

The whole of the turnover is attributable to the grain marketing and granary operations

A geographical analysis of turnover is as follows

	2013	2012
	£	£
United Kingdom	**47,256,602**	43,212,331
Rest of European Union	**5,112,471**	3,902,984
	52,369,073	47,115,315

Notes to the financial statements for the year ended 30 June 2013

3. Operating (loss)/profit

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

	2013 £	2012 £
Amortisation - intangible fixed assets	**(50,247)**	(50,247)
Depreciation of tangible fixed assets		
- owned by the group	**216,478**	199,967
- held under finance leases	**8,935**	8,191
Auditors' remuneration	**8,000**	8,000
Operating lease rentals		
- plant and machinery	**7,826**	7,566
Profit on sale of tangible assets	**(990)**	(9,328)
Rent receivable	**(122,458)**	(121,957)

The auditors' remuneration incurred by the company is borne by Grain Harvesters Limited, a subsidiary

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	**677,412**	642,810
Social security costs	**62,724**	62,612
Other pension costs	**39,683**	31,294
	779,819	736,716

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

2013 No.	2012 No
22	21

5. Directors' remuneration

	2013 £	2012 £
Remuneration	**200,987**	181,386
Group pension contributions to money purchase pension schemes	**20,631**	14,515

During the year retirement benefits were accruing to 2 directors (2012 - 3) in respect of defined contribution pension schemes

5. Directors' remuneration (continued)

The highest paid director received remuneration of £88,924 (2012 - £78,840)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,085 (2012 - £7,168)

6. Interest payable

	2013	2012
	£	£
On bank loans and overdrafts	**115,876**	89,323
On other loans	**19,414**	14,031
On finance leases and hire purchase contracts	**1,329**	1,108
	136,619	104,462

7. Taxation

	2013	2012
	£	£
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	**-**	24,986
Adjustments in respect of prior periods	**(23,168)**	(247)
Total current tax	**(23,168)**	24,739
Deferred tax (see note 15)		
Origination and reversal of timing differences	**(10,983)**	(16,938)
Tax on (loss)/profit on ordinary activities	**(34,151)**	7,801

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%) The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	**(219,757)**	188,180
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	**(43,951)**	37,636
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**375**	1,627
Capital allowances for year in excess of depreciation	**12,275**	(4,228)
Effect of goodwill amortisation	**(10,049)**	(10,049)
Adjustments to tax charge in respect of prior periods	**(6,767)**	(247)
Unrelieved tax losses carried forward	**24,949**	-
Current tax (credit)/charge for the year (see note above)	**(23,168)**	24,739

Factors that may affect future tax charges

The group has unrelieved corporation tax losses of approximately £125,000 at 30 June 2013 which are available for relief against future trading profits

8. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 July 2012 and 30 June 2013	**(1,313,308)**
Amortisation	
At 1 July 2012	**(459,111)**
Charge for the year	**(50,247)**
At 30 June 2013	**(509,358)**
Net book value	
At 30 June 2013	**(803,950)**
At 30 June 2012	(854,197)

Notes to the financial statements for the year ended 30 June 2013

9. Tangible fixed assets

Group	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 July 2012	3,828,769	1,179,510	116,546	97,370	46,029	5,268,224
Additions	-	92,892	-	6,287	9,750	108,929
Disposals	-	(16,618)	-	(1,613)	-	(18,231)
Transfer between classes	-	14,671	-	-	(14,671)	-
At 30 June 2013	3,828,769	1,270,455	116,546	102,044	41,108	5,358,922
Depreciation						
At 1 July 2012	194,740	218,483	21,271	33,150	-	467,644
Charge for the year	77,474	109,881	22,172	15,886	-	225,413
On disposals	-	(16,618)	-	(1,613)	-	(18,231)
At 30 June 2013	272,214	311,746	43,443	47,423	-	674,826
Net book value						
At 30 June 2013	3,556,555	958,709	73,103	54,621	41,108	4,684,096
At 30 June 2012	3,634,029	961,027	95,275	64,220	46,029	4,800,580

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2013 £	2012 £
Motor vehicles	36,474	45,409

Included in land and buildings is freehold land at cost of £1,350,000 (2012 £1,350,000) which is not depreciated

Cost or valuation at 30 June 2013 is as follows

Group	Land and buildings
At cost	1,831,921
At valuation·	
Land and buildings at valuation	1,996,848
	3,828,769

9. Tangible fixed assets (continued)

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

Group	2013 £	2012 £
Cost	**1,831,921**	1,831,921
Accumulated depreciation	**(730,964)**	(687,653)
Net book value	**1,100,957**	1,144,268

10. Fixed asset investments

Company	Investment in subsidiary company £
Cost or valuation	
At 1 July 2012 and 30 June 2013	**3,305,233**
Net book value	
At 30 June 2013	**3,305,233**
At 30 June 2012	3,305,233

Details of the principal subsidiaries can be found under note number 29

11. Stocks

	Group		Company	
	2013 £	2012 £	**2013 £**	2012 £
Raw materials	**1,929,171**	1,620,924	-	-
Finished goods and goods for resale	**77,522**	82,666	-	-
	2,006,693	1,703,590	-	-

12. Debtors

	Group		Company	
	2013 £	2012 £	**2013 £**	2012 £
Trade debtors	**6,906,132**	5,317,802	-	-
Other debtors	**166,673**	143,512	**1,410**	2,586
Prepayments and accrued income	**142,119**	135,608	**11,379**	13,224
	7,214,924	5,596,922	**12,789**	15,810

Notes to the financial statements
for the year ended 30 June 2013

13. Creditors:
Amounts falling due within one year

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Debenture loans	**1,053,300**	242,038	**14,300**	22,038
Bank loans and overdrafts	**149,000**	140,000	**120,000**	120,000
Net obligations under finance leases and hire purchase contracts	**9,648**	9,648	-	-
Trade creditors	**9,940,938**	6,849,645	-	-
Amounts owed to group undertakings	-	-	**76,580**	88,244
Corporation tax	-	24,986	-	2,183
Other taxation and social security	**17,990**	17,566	-	-
Other creditors	**33,156**	31,064	-	-
Accruals and deferred income	**214,940**	337,092	-	9,536
	11,418,972	7,652,039	**210,880**	242,001

As at 30 June 2013, a total of £1,053,300 (2012 £242,038) of loan notes were outstanding The loan notes are secured by way of a debenture comprising of a fixed and floating charge over the assets of the group

Included within the loan notes are amounts due to the following

1) W J Wilson-Haffenden Children's Settlement in the sum of £140,000 (2012 £150,000) where W J Wilson-Haffenden, a director of the company, has a non-beneficial interest

2) High Chimney Farms in the sum of £180,000 (2012 £NIL) where W J Wilson-Haffenden has a beneficial interest

3) Higher Farm in the sum of £65,000 (2012 £30,000) where W J Wilson-Haffenden's spouse has a beneficial interest

14. Creditors:
Amounts falling due after more than one year

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Loan notes	**109,941**	124,241	**109,941**	124,241
Bank loans	**1,011,000**	1,160,000	**620,000**	740,000
Net obligations under finance leases and hire purchase contracts	**20,904**	30,552	-	-
	1,141,845	1,314,793	**729,941**	864,241

As at 30 June 2013, a total of £109,941 (2012 £124,241) of loan notes were outstanding These loan notes bear interest at normal market rates and are repayable by 31 August 2016 unless request for repayment is made within 28 days of an anniversary since they were issued

14. Creditors:
Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

		Group		Company
	2013	2012	**2013**	2012
	£	£	**£**	£
Repayable by instalments	**307,000**	528,572	**140,000**	260,000

Group

The bank loans comprise of a number of loans from Lloyds TSB bank plc These loans are secured by way of fixed and floating charge over the assets of the group

A total of £250,000 of the bank loans have a 3 year deferred repayment period where the loans are interest only at normal market rates The remaining bank loans are repayable by quarterly instalments, bearing interest at normal market rates

Company

The bank loans relate to loans from Lloyds TSB bank plc The loans are secured by way of an unlimited debenture comprising of fixed and floating charges on the assets of the company

All of the bank loans are repayable by quarterly instalments, bearing interest at normal market rates

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

		Group		Company
	2013	2012	**2013**	2012
	£	£	**£**	£
Between one and five years	**20,904**	30,552	**-**	-

15. Deferred taxation

		Group		Company
	2013	2012	**2013**	2012
	£	£	**£**	£
At beginning of year	**102,982**	119,920	**-**	-
(Released during)/charge for the year	**(10,983)**	(16,938)	**-**	-
At end of year	**91,999**	102,982	**-**	-

Notes to the financial statements
for the year ended 30 June 2013

15 Deferred taxation (continued)

The provision for deferred taxation is made up as follows

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Accelerated capital allowances	**116,948**	102,982	**-**	-
Tax losses carried forward	**(24,949)**	-	**-**	-
	91,999	102,982	**-**	-

16. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
55,420 (2012 - 55,145) Ordinary shares of £0 01 each	**554**	551

During the year, GH2 Limited issued 275 ordinary 1p shares at par

17. Reserves

Group	**Share premium account £**	**Other reserves £**	**Profit and loss account £**
At 1 July 2012	**629,914**	**1,366,781**	**541,888**
Loss for the financial year			**(185,606)**
At 30 June 2013	**629,914**	**1,366,781**	**356,282**

Company	**Share premium account £**	**Other reserves £**	**Profit and loss account £**
At 1 July 2012	**629,914**	**1,366,781**	**218,416**
Profit for the financial year			**165,689**
At 30 June 2013	**629,914**	**1,366,781**	**384,105**

Other reserves represent a merger reserve arising from the acquisition of Grain Harvesters Limited

18. Reconciliation of movement in shareholders' funds

Group	2013 £	2012 £
Opening shareholders' funds	**2,539,134**	2,413,900
(Loss)/profit for the financial year	**(185,606)**	180,379
Dividends (Note 19)	**-**	(55,145)
Shares issued during the year	**3**	-
Closing shareholders' funds	**2,353,531**	2,539,134

Company	2013 £	2012 £
Opening shareholders' funds	**2,215,662**	2,067,615
Profit for the financial year	**165,689**	203,192
Dividends (Note 19)	**-**	(55,145)
Shares issued during the year	**3**	-
Closing shareholders' funds	**2,381,354**	2,215,662

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss account

The profit for the year dealt with in the accounts of the company was £165,689 (2012 - £203,192)

19. Dividends

	2013 £	2012 £
Dividends paid on equity capital	**-**	55,145

20 Net cash flow from operating activities

	2013 £	2012 £
Operating (loss)/profit	**(86,794)**	292,642
Amortisation of intangible fixed assets	**(50,247)**	(50,247)
Depreciation of tangible fixed assets	**225,413**	208,158
Profit on disposal of tangible fixed assets	**(990)**	(9,328)
Increase in stocks	**(303,103)**	(129,299)
(Increase)/decrease in debtors	**(1,601,602)**	698,260
Increase/(decrease) in creditors	**2,971,941**	(1,159,435)
Decrease in provisions	**-**	(13,068)
Net cash inflow/(outflow) from operating activities	**1,154,618**	(162,317)

Notes to the financial statements
for the year ended 30 June 2013

21. Analysis of cash flows for headings netted in cash flow statement

	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	3,656	-
Interest paid	(135,573)	(101,538)
Hire purchase interest	(1,329)	(1,108)
Net cash outflow from returns on investments and servicing of finance	(133,246)	(102,646)

	2013	2012
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(108,929)	(462,410)
Sale of tangible fixed assets	990	9,328
Net cash outflow from capital expenditure	(107,939)	(453,082)

	2013	2012
	£	£
Financing		
Issue of ordinary shares	3	-
New secured loans	-	200,000
Repayment of loans	(140,000)	(213,193)
New debenture loans	949,000	100,000
Repayment of debenture loans and loan notes	(152,038)	(419,464)
Repayment of hire purchases contracts	(9,648)	(8,040)
Net cash inflow/(outflow) from financing	647,317	(340,697)

22. Analysis of changes in net debt

	1 July 2012	Cash flow	Other non-cash changes	30 June 2013
	£	£	£	£
Cash at bank and in hand	362,053	1,542,531	-	1,904,584
Debt:				
Hire purchases contracts	(40,200)	9,648	-	(30,552)
Debts due within one year	(382,038)	(811,262)	(9,000)	(1,202,300)
Debts falling due after more than one year	(1,284,241)	154,300	9,000	(1,120,941)
Net debt	(1,344,426)	895,217	-	(449,209)

23. Contingent liabilities

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

24. Capital commitments

At 30 June 2013 the group and company had capital commitments as follows

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Contracted for but not provided in these financial statements	**10,325**	27,245	**-**	-

25. Pension commitments

The group operates a defined contributions pension scheme The assets of the scheme are held separately from those of the group in an independently administered fund The pension cost charge represents contributions payable by the group to the fund and amounted to £39,683 (2012 £31,294) There were no contributions due at the balance sheet date

26. Operating lease commitments

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as follows

	2013	2012
Group	**£**	£
Expiry date·		
Between 2 and 5 years	**7,826**	7,826

27. Related party transactions

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

i) High Chimney Farms, a partnership in which W J Wilson-Haffenden, a director of this company, has an interest

ii) T Denne & Sons Ltd, a company in which C Denne, a director of this company, has an interest

Transactions are as follows

	2013	2012
	£	£
High Chimney Farms (granary intake and storage income)	**3,746**	3,981
High Chimney Farms (purchases of grain)	**(190,363)**	(219,161)
T Denne & Sons Limited (sale of grain and haulage)	**1,490,064**	319,116
T Denne & Sons Limited (purchases of grain, haulage and storage)	**(709,653)**	(854,705)

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

Notes to the financial statements
for the year ended 30 June 2013

27. Related party transactions (continued)

	2013	2012
	£	£
High Chimney Farms	**4,107**	(2,642)
T Denne & Sons Limited	**207,583**	(67,928)
Total	**211,690**	(70,570)

28. Controlling party

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

29. Principal subsidiaries

Company name	**Country**	**Percentage Shareholding**
Grain Harvesters Limited	England	100