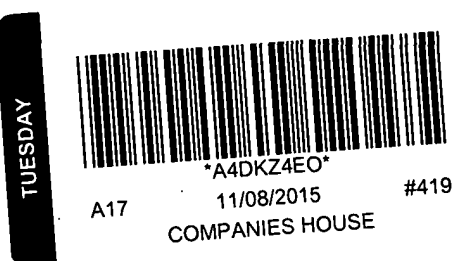


Registered number: 06830076

Companies House

GH2 Limited

**Directors' report and financial statements
for the period ended 30 November 2014**



GH2 Limited

Company Information

Directors

W R N Tapp (resigned 20 August 2014)
W J Wilson-Haffenden (resigned 20 August 2014)
C C Denne (resigned 20 August 2014)
C J Roberts
M J Sharp
T E Hulme (resigned 20 August 2014)
J Duffy (appointed 20 August 2014)
S Wooldridge (appointed 20 August 2014)

Company secretary

Mr M Sharp

Registered number

06830076

Registered office

The Old Colliery
Staple Road, Wingham
Canterbury
Kent
CT3 1LS

Independent auditors

Kreston Reeves 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

Contents

	Page
Directors' report	1 - 3
Group strategic report	4
Independent auditors' report	5 - 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 - 28

**Directors' report
for the period ended 30 November 2014**

The directors present their report and the financial statements for the period ended 30 November 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, 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 ceased trading on 1 December 2014 and before that the principal activities during the period were that of grain marketing, granary operations and the operation of a country store.

As the group ceased trading on 1 December 2014, consequently the directors' do not consider it appropriate to prepare the financial statements on a going concern basis. Therefore these financial statements have been prepared on a break up basis.

Dividends

During the period, the company has paid dividends totalling £13,850 (2013: £NIL).

GH2 Limited

Directors' report for the period ended 30 November 2014

Directors

The directors who served during the period were:

W R N Tapp (resigned 20 August 2014)
W J Wilson-Haffenden (resigned 20 August 2014)
C C Denne (resigned 20 August 2014)
C J Roberts
M J Sharp
T E Hulme (resigned 20 August 2014)
J Duffy (appointed 20 August 2014)
S Wooldridge (appointed 20 August 2014)

C J Roberts, J Duffy and S Wooldridge retire and, being eligible, offer themselves for re-election.

Financial instruments

The group's principal financial instruments comprised 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 comprised 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 comprised 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.

**Directors' report
for the period ended 30 November 2014**

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.

This report was approved by the board on 29 July 2015 and signed on its behalf.



M J Sharp
Director

GH2 Limited

Group strategic report for the period ended 30 November 2014

Introduction

The directors' of GH2 Limited present their Strategic Report for the period ended 30 November 2014.

Business review

On 1 December 2014, the company's subsidiary undertaking, Grain Harvesters Limited, transferred its entire trade along with all assets and liabilities to its then ultimate parent company, Frontier Agriculture Limited.

The group ceased trading on 1 December 2014 and consequently the directors' do not consider it appropriate to prepare the financial statements on a going concern basis. Therefore these financial statements have been prepared on a break up basis.

Financial key performance indicators

A key performance measure for the group was earnings before interest, tax, depreciation and amortisation (EBITDA). Going forward, there are no key performance indicators due to the cessation of trade.

This report was approved by the board on 29 July 2015 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 period ended 30 November 2014, set out on pages 7 to 28. 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Qualified 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 November 2014 and of the group's profit for the period 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 Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

GH2 Limited

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.

Kreston Reeves LV

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

3 August 2015

GH2 Limited

Consolidated profit and loss account for the period ended 30 November 2014

		17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Turnover	1,2		
Discontinued operations		62,358,751	52,369,073
		62,358,751	52,369,073
Change in stocks of finished goods and work in progress		152,783	303,103
Raw materials and consumables		(59,555,170)	(51,370,970)
Other external charges		(685,921)	(434,005)
Staff costs		(1,216,140)	(779,819)
Depreciation and amortisation		(258,408)	(174,176)
Operating profit/(loss)	4		
Continuing operations		-	-
Discontinued operations		795,895	(86,794)
		795,895	(86,794)
Interest receivable and similar income		1,567	3,656
Interest payable and similar charges	7	(176,146)	(136,619)
Profit/(loss) on ordinary activities before taxation		621,316	(219,757)
Tax on profit/(loss) on ordinary activities	8	(126,610)	34,151
Profit/(loss) for the financial period	18	494,706	(185,606)

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 11 to 28 form part of these financial statements.

Consolidated balance sheet
as at 30 November 2014

		30 November			30 June
		2014			2013
	Note	£	£	£	£
Fixed assets					
Intangible assets	9		(732,767)		(803,950)
Tangible assets	10		4,509,185		4,684,096
			3,776,418		3,880,146
Current assets					
Stocks	12	2,159,476		2,006,693	
Debtors	13	3,922,246		7,214,924	
Cash at bank and in hand		783,053		1,904,584	
		6,864,775		11,126,201	
Creditors: amounts falling due within one year	14	(7,675,518)		(11,418,972)	
Net current liabilities			(810,743)		(292,771)
Total assets less current liabilities			2,965,675		3,587,375
Creditors: amounts falling due after more than one year	15		-		(1,141,845)
Provisions for liabilities					
Deferred tax	16		(121,491)		(91,999)
Net assets			2,844,184		2,353,531
Capital and reserves					
Called up share capital	17		569		554
Share premium account	18		639,701		629,914
Other reserves	18		1,366,781		1,366,781
Profit and loss account	18		837,133		356,282
Shareholders' funds	19		2,844,184		2,353,531

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 July 2015.



M J Sharp
Director

The notes on pages 11 to 28 form part of these financial statements.

Company balance sheet
as at 30 November 2014

		30 November			30 June
		2014			2013
	Note	£	£	£	£
Fixed assets					
Investments	11		3,305,233		3,305,233
Current assets					
Debtors	13	-		12,789	
Cash at bank		1,750		4,153	
		<u>1,750</u>		<u>16,942</u>	
Creditors: amounts falling due within one year	14	(950,000)		(210,880)	
Net current liabilities			(948,250)		(193,938)
Total assets less current liabilities			<u>2,356,983</u>		<u>3,111,295</u>
Creditors: amounts falling due after more than one year	15		-		(729,941)
Net assets			<u>2,356,983</u>		<u>2,381,354</u>
Capital and reserves					
Called up share capital	17		569		554
Share premium account	18		639,701		629,914
Other reserves	18		1,366,781		1,366,781
Profit and loss account	18		349,932		384,105
Shareholders' funds	19		<u>2,356,983</u>		<u>2,381,354</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 July 2015.



M J Sharp
Director

The notes on pages 11 to 28 form part of these financial statements.

GH2 Limited

Consolidated cash flow statement for the period ended 30 November 2014

		17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
	Note		
Net cash flow from operating activities	21	1,550,705	1,154,618
Returns on investments and servicing of finance	22	(176,111)	(133,246)
Taxation		16,401	(18,219)
Capital expenditure and financial investment	22	(154,680)	(107,939)
Equity dividends paid		(13,855)	-
Cash inflow before financing		1,222,460	895,214
Financing	22	(2,343,991)	647,317
(Decrease)/Increase in cash in the period		(1,121,531)	1,542,531

Reconciliation of net cash flow to movement in net funds/debt for the period ended 30 November 2014

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
(Decrease)/Increase in cash in the period	(1,121,531)	1,542,531
Cash outflow from decrease in debt and lease financing	2,353,793	(647,314)
Movement in net debt in the period	1,232,262	895,217
Net debt at 1 July 2013	(449,209)	(1,344,426)
Net funds/(debt) at 30 November 2014	783,053	(449,209)

The notes on pages 11 to 28 form part of these financial statements.

**Notes to the financial statements
for the period ended 30 November 2014**

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 Break up basis

The company ceased trading on 1 December 2014 and consequently the directors' do not consider it appropriate to prepare the financial statements on a going concern basis. Therefore these financial statements have been prepared on a break up basis. No adjustments have been necessary to reflect the change in basis for the preparation of the financial statements.

1.4 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the period, 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.

1.6 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.

**Notes to the financial statements
for the period ended 30 November 2014**

1. Accounting policies (continued)

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.

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.

**Notes to the financial statements
for the period ended 30 November 2014**

1. Accounting policies (continued)

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 period.

2. Turnover

A geographical analysis of turnover is as follows:

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
United Kingdom	55,093,921	47,256,602
Rest of European Union	7,264,830	5,112,471
	<u>62,358,751</u>	<u>52,369,073</u>

The whole of turnover and profit/(loss) before taxation from discontinued operations is attributable to grain marketing and granary operations.

**Notes to the financial statements
for the period ended 30 November 2014**

3. Analysis of operating profit/(loss)

	17 months ended 30 November 2014		12 months ended 30 June 2013	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	-	62,358,751	-	52,369,073
Change in stocks of finished goods and work in progress	-	152,783	-	303,103
Raw materials and consumables	-	(59,555,170)	-	(51,370,970)
Other external charges	-	(685,921)	-	(434,005)
Staff costs	-	(1,216,140)	-	(779,819)
Depreciation and amortisation	-	(258,408)	-	(174,176)
Operating profit/(loss)	-	795,895	-	(86,794)

4. Operating profit/(loss)

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

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Amortisation - intangible fixed assets	(71,183)	(50,247)
Depreciation of tangible fixed assets:		
- owned by the group	325,572	216,478
- held under finance leases	-	8,935
Auditors' remuneration	14,800	8,000
Operating lease rentals:		
- plant and machinery	11,087	7,826
Loss/(profit) on sale of tangible assets	4,019	(990)
Rent receivable	(166,324)	(122,458)

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

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Wages and salaries	1,035,528	677,412
Social security costs	104,071	62,724
Other pension costs	76,541	39,683
	1,216,140	779,819

**Notes to the financial statements
for the period ended 30 November 2014**

5. Staff costs (continued)

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

17 months ended 30 November 2014 No.	12 months ended 30 June 2013 No.
23	22

6. Directors' remuneration

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Remuneration	264,471	200,987
Group pension contributions to money purchase pension schemes	43,418	20,631

During the period retirement benefits were accruing to 3 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £117,963 (2013 - £88,924).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £21,775 (2013 - £11,085).

7. Interest payable

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
On bank loans and overdrafts	75,944	115,876
On other loans	65,408	19,414
On finance leases and hire purchase contracts	1,994	1,329
On loans from group undertakings	14,356	-
Other interest payable	18,444	-
	176,146	136,619

**Notes to the financial statements
for the period ended 30 November 2014**

8. Taxation

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Analysis of tax charge/(credit) in the period/year		
Current tax (see note below)		
UK corporation tax charge on profit/loss for the period/year	97,118	-
Adjustments in respect of prior periods	-	(23,168)
Total current tax	97,118	(23,168)
Deferred tax (see note 16)		
Origination and reversal of timing differences	29,492	(10,983)
Tax on profit/loss on ordinary activities	126,610	(34,151)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 22.06% (2013 - 20%). The differences are explained below:

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Profit/loss on ordinary activities before tax	621,316	(219,757)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.06% (2013 - 20%)	137,062	(43,951)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,088	375
Capital allowances for period/year in excess of depreciation	23,827	12,275
Utilisation of tax losses	(27,519)	-
Effect of goodwill amortisation	(15,703)	(10,049)
Adjustments to tax charge in respect of prior periods	-	(6,767)
Tax deduction arising from exercise of employee options	(21,923)	-
Unrelieved tax losses carried forward	-	24,949
Marginal relief	(2,714)	-
Current tax charge/(credit) for the period/year (see note above)	97,118	(23,168)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

**Notes to the financial statements
for the period ended 30 November 2014**

9. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 July 2013 and 30 November 2014	(1,313,308)
Amortisation	
At 1 July 2013	(509,358)
Charge for the period	(71,183)
At 30 November 2014	(580,541)
Net book value	
At 30 November 2014	(732,767)
At 30 June 2013	(803,950)

10. Tangible assets

Group	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Assets under con- struction £	Total £
Cost or valuation						
At 1 July 2013	3,828,769	1,270,455	116,546	102,044	41,108	5,358,922
Additions	-	115,514	5,995	12,521	61,221	195,251
Disposals	-	(96,189)	(22,000)	(38,100)	-	(156,289)
Transfer between classes	-	13,953	-	-	(13,953)	-
At 30 November 2014	3,828,769	1,303,733	100,541	76,465	88,376	5,397,884
Depreciation						
At 1 July 2013	272,214	311,746	43,443	47,423	-	674,826
Charge for the period	109,759	161,132	30,349	24,332	-	325,572
On disposals	-	(57,781)	(15,818)	(38,100)	-	(111,699)
At 30 November 2014	381,973	415,097	57,974	33,655	-	888,699
Net book value						
At 30 November 2014	3,446,796	888,636	42,567	42,810	88,376	4,509,185
At 30 June 2013	3,556,555	958,709	73,103	54,621	41,108	4,684,096

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

Group	30 November 2014 £	30 June 2013 £
Motor vehicles	-	36,474

**Notes to the financial statements
for the period ended 30 November 2014**

10. Tangible assets (continued)

The group has adopted a policy of measuring freehold property at valuation in accordance with the requirements of FRS 15 Tangible Fixed Assets to obtain an external valuation every 5 years. Charterfields Limited valued the freehold property during the period. Charterfields Limited valued the freehold property at £2,875,560 and "operational assets", plant and machinery, at £1,574,440, giving a combined total of £4,450,000. This compares to the carrying value at 30 November 2014 for freehold property of £3,446,796, plant and machinery of £888,636, office equipment of £42,810 and assets and under construction of £88,376, giving a combined total of £4,466,618.

On 1 December 2014 the group transferred its entire tangible fixed assets to Frontier Agriculture Limited, its parent undertaking, at book value, realising neither a profit or loss on disposal requiring recognition in the company's profit and loss account.

In light of this realisation of tangible fixed assets at book value on 1 December 2014, the directors have decided not adjust the carrying value of freehold property in line with the valuation undertaken by Charterfields Limited during the period.

Included in land and buildings is freehold land at cost of £1,350,000 (2013: £1,350,000) which is not depreciated.

Assets under construction of £9,750 and £4,203 were completed and brought into use on 1 July 2013 and 1 July 2014 respectively. Depreciation has been charged from these dates.

Cost or valuation at 30 November 2014 is as follows:

	Land and buildings
Group	
At cost	1,831,921
At valuation:	
Land and buildings at valuation	1,996,848
	<u>3,828,769</u>

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

	30 November 2014	30 June 2013
Group	£	£
Cost	1,831,921	1,831,921
Accumulated depreciation	(791,934)	(730,964)
Net book value	<u>1,039,987</u>	<u>1,100,957</u>

On 1 December 2014, the company's subsidiary undertaking, Grain Harvesters Limited transferred its tangible fixed assets to its ultimate parent company, Frontier Agriculture Limited at the book value of the assets at that date (see note 28). Therefore, at 30 November 2014, tangible fixed assets are considered to be Assets Held for Resale.

**Notes to the financial statements
for the period ended 30 November 2014**

11. Fixed asset investments

Company	Investment in subsidiary company £
Cost or valuation	
At 1 July 2013 and 30 November 2014	3,305,233
Net book value	
At 30 November 2014	3,305,233
At 30 June 2013	3,305,233

Details of the principal subsidiaries can be found under note number 30.

12. Stocks

	Group		Company	
	30 November 2014 £	30 June 2013 £	30 November 2014 £	30 June 2013 £
Raw materials	2,074,611	1,929,171	-	-
Finished goods and goods for resale	84,865	77,522	-	-
	2,159,476	2,006,693	-	-

13. Debtors

	Group		Company	
	30 November 2014 £	30 June 2013 £	30 November 2014 £	30 June 2013 £
Trade debtors	3,763,460	6,906,132	-	-
Other debtors	54,086	166,673	-	1,410
Prepayments and accrued income	104,700	142,119	-	11,379
	3,922,246	7,214,924	-	12,789

**Notes to the financial statements
for the period ended 30 November 2014**

**14. Creditors:
Amounts falling due within one year**

	Group		Company	
	30 November	30 June	30 November	30 June
	2014	2013	2014	2013
	£	£	£	£
Debenture loans	-	1,053,300	-	14,300
Bank loans and overdrafts	-	149,000	-	120,000
Net obligations under finance leases and hire purchase contracts	-	9,648	-	-
Trade creditors	3,447,151	9,940,938	-	-
Amounts owed to group undertakings	3,999,020	-	950,000	76,580
Corporation tax	97,118	-	-	-
Other taxation and social security	933	17,990	-	-
Other creditors	19,923	33,156	-	-
Accruals and deferred income	111,373	214,940	-	-
	7,675,518	11,418,972	950,000	210,880

As at 30 November 2014, a total of £NIL (2013: £1,053,000) of loan notes were outstanding. The loan notes were secured by way of a debenture comprising of a fixed and floating charge over the assets of the group. During the period the loan notes were fully repaid.

Included within the loan notes were amounts due to the following:

1) At 1 July 2013, W J Wilson-Haffenden Children's Settlement was owed £140,000. W J Wilson-Haffenden, a former director of the company, has a non-beneficial interest. During the period, the loan notes were fully repaid and no amount is owed at 30 November 2014.

2) At 1 July 2013, High Chimney Farms was owed £180,000. W J Wilson-Haffenden has a beneficial interest. During the period, the loan notes were fully repaid and no amount is owed at 30 November 2014.

3) At 1 July 2013, Higher Farm was owed £65,000. W J Wilson-Haffenden's spouse has a beneficial interest. During the period, the loan notes were fully repaid and no amount is owed at 30 November 2014.

**Notes to the financial statements
for the period ended 30 November 2014**

**15. Creditors:
Amounts falling due after more than one year**

	Group		Company	
	30 November 2014	30 June 2013	30 November 2014	30 June 2013
	£	£	£	£
Loan notes	-	109,941	-	109,941
Bank loans	-	1,011,000	-	620,000
Net obligations under finance leases and hire purchase contracts	-	20,904	-	-
	-	1,141,845	-	729,941

As at 30 November 2014, a total of £NIL (2013: £109,941) of loan notes were outstanding. These loan notes bore interest at normal market rates and were repayable by 31 August 2016 unless request for repayment was made within 28 days of an anniversary since they were issued. During the period, the loans notes were fully repaid.

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	30 November 2014	30 June 2013	30 November 2014	30 June 2013
	£	£	£	£
Repayable by instalments	-	307,000	-	140,000

Group

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

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

Company

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

All of the bank loans were repayable by quarterly instalments, bearing interest at normal market rates. During the period, the bank loans were repaid.

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

	Group		Company	
	30 November 2014	30 June 2013	30 November 2014	30 June 2013
	£	£	£	£
Between one and five years	-	20,904	-	-

**Notes to the financial statements
for the period ended 30 November 2014**

16. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	<u>30 November</u>	<u>30 June</u>	<u>30 November</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At beginning of period/year	91,999	102,982	-	-
Charge for/(released during) the period/year	29,492	(10,983)	-	-
At end of period/year	<u>121,491</u>	<u>91,999</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30 November</u>	<u>30 June</u>	<u>30 November</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	121,491	116,948	-	-
Tax losses carried forward	-	(24,949)	-	-
	<u>121,491</u>	<u>91,999</u>	<u>-</u>	<u>-</u>

17. Share capital

	<u>30 November</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>
	<u>£</u>	<u>£</u>
Allotted, called up and fully paid		
56,928 (2013 - 55,420) Ordinary shares of £0.01 each	<u>569</u>	<u>554</u>

During the period, the company issued 1,508 ordinary 1p shares at a premium of £6.49 per share.

During the prior year, the company issued 275 ordinary 1p shares at par.

Share options

During the period, options have been granted to two executive directors to purchase 2,725 (2013: NIL) ordinary shares of 1p each in the company. Some of the shares were exercised on 13 August 2014 when there was an impending sale of the company:-

	<u>At</u>	<u>Granted</u>	<u>Exercised</u>	<u>Lapsed</u>	<u>At</u>	<u>Exercise</u>
	<u>01/07/2013</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>30/11/2014</u>	<u>price</u>
	<u>£</u>				<u>£</u>	<u>£</u>
M J Sharp	-	954	(528)	(426)	-	7
C J Roberts	-	1,771	(980)	(791)	-	7

**Notes to the financial statements
for the period ended 30 November 2014**

18. Reserves

Group	Share premium account £	Other reserves £	Profit and loss account £
At 1 July 2013	629,914	1,366,781	356,282
Profit for the financial period			494,706
Dividends: Equity capital			(13,855)
Premium on shares issued during the period	9,787		
	<u>639,701</u>	<u>1,366,781</u>	<u>837,133</u>
At 30 November 2014			

Company	Share premium account £	Other reserves £	Profit and loss account £
At 1 July 2013	629,914	1,366,781	384,105
Loss for the financial period			(20,318)
Dividends: Equity capital			(13,855)
Premium on shares issued during the period	9,787		
	<u>639,701</u>	<u>1,366,781</u>	<u>349,932</u>
At 30 November 2014			

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

**Notes to the financial statements
for the period ended 30 November 2014**

19. Reconciliation of movement in shareholders' funds

	30 November 2014 £	30 June 2013 £
Group		
Opening shareholders' funds	2,353,531	2,539,134
Profit/(loss) for the financial period/year	494,706	(185,606)
Dividends (Note 20)	(13,855)	-
Shares issued during the period/year	15	3
Share premium on shares issued (net of expenses)	9,787	-
	<u>2,844,184</u>	<u>2,353,531</u>
Closing shareholders' funds		
	<u>2,844,184</u>	<u>2,353,531</u>
	30 November 2014 £	30 June 2013 £
Company		
Opening shareholders' funds	2,381,354	2,215,662
(Loss)/profit for the financial period/year	(20,318)	165,689
Dividends (Note 20)	(13,855)	-
Shares issued during the period/year	15	3
Share premium on shares issued (net of expenses)	9,787	-
	<u>2,356,983</u>	<u>2,381,354</u>
Closing shareholders' funds		
	<u>2,356,983</u>	<u>2,381,354</u>

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 (loss)/profit for the period/year dealt with in the accounts of the company was £20,318 (2013 - £165,689).

20. Dividends

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Dividends paid on equity capital	<u>13,855</u>	<u>-</u>

**Notes to the financial statements
for the period ended 30 November 2014**

21. Net cash flow from operating activities

			17 months ended 30 November 2014	12 months ended 30 June 2013
	Continuing £	Discontinued £	Total £	£
Operating profit/(loss)	-	795,895	795,895	(86,794)
Amortisation of intangible fixed assets	-	(71,183)	(71,183)	(50,247)
Depreciation of tangible fixed assets	-	325,572	325,572	225,413
Loss/(profit) on disposal of tangible fixed assets	4,019	-	4,019	(990)
Increase in stocks	-	(152,783)	(152,783)	(303,103)
Decrease/(increase) in debtors	-	3,276,277	3,276,277	(1,601,602)
(Decrease)/increase in creditors	-	(2,627,092)	(2,627,092)	2,971,941
Net cash inflow from continuing operating activities	4,019			
Net cash inflow in respect of discontinued activities		1,546,686		
Net cash inflow from operating activities			1,550,705	1,154,618

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

	17 months ended 30 November 2014	12 months ended 30 June 2013
	£	£
Returns on investments and servicing of finance		
Interest received	1,567	3,656
Interest paid	(175,684)	(135,573)
Hire purchase interest	(1,994)	(1,329)
Net cash outflow from returns on investments and servicing of finance	(176,111)	(133,246)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(195,251)	(108,929)
Sale of tangible fixed assets	40,571	990
Net cash outflow from capital expenditure	(154,680)	(107,939)

**Notes to the financial statements
for the period ended 30 November 2014**

22. Analysis of cash flows for headings netted in cash flow statement (continued)

	17 months ended 30 November 2014 £	12 months ended 30 June 2013 £
Financing		
Issue of ordinary shares	9,802	3
Repayment of loans	(1,160,000)	(140,000)
New debenture loans	227,500	949,000
Repayment of debenture loans and loan notes	(1,390,741)	(152,038)
Repayment of hire purchases contracts	(30,552)	(9,648)
Net cash (outflow)/inflow from financing	(2,343,991)	647,317

23. Analysis of changes in net debt

	1 July 2013 £	Cash flow £	Other non-cash changes £	30 November 2014 £
Cash at bank and in hand	1,904,584	(1,121,531)	-	783,053
Debt:				
Hire purchases contracts	(30,552)	30,552	-	-
Debts due within one year	(1,202,300)	1,202,300	-	-
Debts falling due after more than one year	(1,120,941)	1,120,941	-	-
Net debt	(449,209)	1,232,262	-	783,053

24. Capital commitments

At 30 November 2014 the group and company had capital commitments as follows:

	Group		Company	
	30 November 2014 £	30 June 2013 £	30 November 2014 £	30 June 2013 £
Contracted for but not provided in these financial statements	-	10,325	-	-

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 £76,541 (2013: £39,683). There were no contributions due at the balance sheet date.

**Notes to the financial statements
for the period ended 30 November 2014**

26. Operating lease commitments

At 30 November 2014 the group had annual commitments under non-cancellable operating leases as follows:

	30 November 2014 £	30 June 2013 £
Group		
Expiry date:		
Between 2 and 5 years	-	7,826

27. Related party transactions

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

i) High Chimney Farms, a partnership in which W J Wilson-Haffenden, a former director of the company until 20 August 2014, has an interest.

ii) T Denne & Sons Ltd, a company in which C C Denne, a former director of the company until 20 August 2014, has an interest.

Transactions with the above until 20 August 2014, the date each director resigned, are as follows:

	14 months ended 20 August 2014 £	12 months ended 30 June 2013 £
High Chimney Farms (granary intake and storage income)	1,406	3,746
High Chimney Farms (purchases of grain)	(243,904)	(190,363)
T Denne & Sons Limited (sale of grain and haulage)	531,067	1,490,064
T Denne & Sons Limited (purchases of grain, haulage and storage)	(518,173)	(709,653)

The following amounts were due from/(to) related parties at the 20 August 2014:

	20 August 2014 £	30 June 2013 £
High Chimney Farms	-	4,107
T Denne & Sons Limited	(35,689)	207,583
Total	(35,689)	211,690

28. Post balance sheet events

On 1 December 2014, the company's subsidiary, Grain Harvesters Limited transferred its entire trade along with all assets and liabilities to its ultimate parent company, Frontier Agriculture Limited. The transfer of the assets and liabilities were settled by way of creation of an intercompany account equal to the book value of the assets and liabilities at that date.

**Notes to the financial statements
for the period ended 30 November 2014**

29. Controlling party

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

The parent undertaking is Frontier Agriculture Limited, a company incorporated in England and Wales.

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

30. Principal subsidiaries

Company name	Country	Percentage Shareholding
Grain Harvesters Limited	England	100