Company Registration No. 06386629 (England and Wales)

FARGRO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

FARGRO LIMITED

COMPANY INFORMATION

Directors	Mr D J Godsmark Mr J McAlpine Dr P Sopp Mr G C Lisher Mr C E Goddard Mr C Montcrieff Mr J Zwinkels
Secretary	Mr C E Goddard
Company number	06386629
Registered office	Toddington Lane Littlehampton West Sussex BN17 7PP
Auditors	Carpenter Box LLP Amelia House Crescent Road Worthing West Sussex BN11 1QR
Business address	Toddington Lane Littlehampton West Sussex BN17 7PP
Solicitors	Thomas Eggar LLP The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE

FARGRO LIMITED

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FARGRO LIMITED

DIRECTORS' AND STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and audited financial statements for the year ended 30 September 2013.

Principal activities, review of the business and future developments
The principal activity of the company continues to be the supply of requisites and energy to the horticultural industry.

Sales for the year remained static at £20.8m with an operating profit of £494,588 compared to £626,294 in the previous financial year. These, together with gross profit, remain the financial key performance indicators ("KPI's") that the directors have identified to be the most effective method of monitoring the company's performance.

KPI's	2013	2012	2011
	£	£	£
Turnover	20,772,773	21,272,115	21,298,130
Gross profit (excluding carriage)	4,300,951	4,370,995	4,508,134
Operating profit	494,588	626,294	784,092

Weather plays a key part in our business. Following the wettest summer for a century reported in 2012 a much improved situation was anticipated in 2013. In the event, the year under review experienced a long cold and wet spring but with an exceptional warm late summer. This caused a very slow start to the year as growers waited to react to changing market conditions as the year progressed. However, the improved summer weather had a varied effect on the different segments of the market leading to inconsistent trading conditions across the company's customer base. In particular, pest and disease levels in the spring were low, impacting on our crop protection sales. However, the focus on customer support through diverse stock holdings and an efficient delivery service enabled the more established product lines to maintain their contribution and in the case of certain non-crop protection exclusive product lines to increase it. In the circumstances the final result for the year represents a solid achievement and a reflection of the company's strategies to diversify the business and reduce the seasonal impact and exposure to the adverse market conditions.

The company continues to recognise the importance of its program for introduction of new products across the various product ranges. There are many challenges facing the industry in this area, including the revocation of pesticide approvals for a number of key active ingredients. The company has maintained its focus on environmentally sustainable products to counter this challenge (such as our biopesticide solutions). The recognised technical expertise developed in house is paramount to this program and provides the company with an excellent additional resource focusing on customer support and providing a strong platform to maintain sales levels in these very difficult years, and for future growth.

Strong financial control has always been at the foundation of the exceptional track record of growth in previous years and never more so than in these difficult times. Maintaining costs and expenses at 2012 levels in the current period has been a significant achievement. The directors believe that it is essential to continue the policy of investing in appropriate resources to source and stock new products and undertake geographical expansion where appropriate, and that this enables the company to respond to adverse market conditions through the diversification of the product base and enhanced offerings to customers. The directors also believe that this policy will ensure the company remains well placed to return to previous levels of profitability once the market recovers.

In spite of increased competition and the impact of regulation in the market place, turnover in energy products increased again slightly this year as expansion not only of the customer base but also the supplier pool for the products continued.

FARGRO LIMITED

DIRECTORS' AND STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Results and dividends

The results for the year are set out on page 6.

During the year a final dividend for 2012 and interim for 2013 were paid (being 35p and 30p per share respectively) totalling £123,195 (£113,718 in previous year). A final dividend for 2013 of 35p per share is proposed which will be paid prior to the next AGM.

Market value of land and buildings and Company re-location

The company's freehold land and buildings were professionally valued by Chartered Surveyors, on an open market basis at 30 September 2009. The present site is part of a much larger area over which planning permission for development was obtained in January 2013 and the sale of which is currently at an advanced stage of negotiation.

Once the sale of the current site is completed the company will be required to re-locate its base of operations. As reported last year, in anticipation of this eventuality an option to purchase an alternative site was signed and the Directors are pleased to also report that planning permission to construct a new facility "commensurate with the company's current operating requirements and designed to be "fit for purpose"in the markets of the future" was granted in October 2013. The re-location will be substantially financed from proceeds of the sale of the current site, but the extent to which this will be achieved and the timing of the move to the new premises cannot be determined fully until the aforementioned sale of the current site is completed.

Due to the advanced stage of this project the Directors consider an interim valuation of the existing freehold land and buildings to be unnecessary and the current valuation on the balance sheet to remain valid.

Financial risk management objectives and policies

The company's principal financial instruments comprise cash, trade debtors and creditors. The main risks in these areas are as follows:

Liquidity risk

Available cash headroom is monitored by management on a daily basis and regular discussions take place with the company's bankers as a way of managing this risk. Key factors such as stock and trade debtor levels are reported upon monthly to the board of directors and monitored regularly at their meetings.

Interest rate risk

In the past bank borrowings have been utilised for specific capital investment projects or in support of short term working capital requirements which are impacted by the seasonal nature of much of the business. Investment in working capital to support ongoing development of the business has increased the use of these overdraft facilities in recent years but not to a level where there is material exposure to interest rate fluctuations.

Credit risk

The company operates a number of policies and procedures designed to mitigate credit risk. These include but are not limited to the maintenance of third party Credit Insurance for major customers and the use of regular credit reviews for new and existing customers via third party credit rating agencies. This enables management to determine whether or not in their opinion a customer has the ability to meet its debts as they fall due. Consequently, the company will only conduct business with those customers deemed to be creditworthy.

Exchange rate risk

The company trades with a number of major suppliers and, to a lesser extent, customers in currencies other than pounds, mainly the Euro and US dollar. Trade in these currencies has increased significantly in the last four years and the fluctuating rate movement against the pound has similarly increased the company's exposure in this area. The company manages this risk by identifying and forecasting the potential exposure at an early stage and undertaking forward contracts for purchase of the relevant currencies in order to fix the major portion of this exposure as early as possible and enable management to determine product pricing accordingly.

Directors

The following directors have held office since 1 October 2012:

Mr D J Godsmark
Mr J McAlpine
Mr K R Cox (Resigned 19 March 2013)
Dr P Sopp
Mr G C Lisher
Mr C E Goddard
Mr C Montcrieff
Mr J Zwinkels

Led by the Chairman the Board is continually reviewing its structure and the competencies offered by its members to ensure they are appropriate to meet the needs of the company's strategic objectives and with particular attention to succession planning to also ensure continuity in pursuing these objectives.

Goverance

The role of the Board is to ensure that the company is effectively governed, to ensure that it complies with all relevant legislation, its own memorandum and articles of association and the requirements of good practice, and to also ensure that the company works to agreed strategic and operational plans. The full Corporate Governance review undertaken some five years ago is still considered to be highly relevant by the Board and forms the basis of current strategic reviews.

To fulfil their governance role the directors meet regularly either as a Board or members of separately established committees such as the Remuneration Committee. There has been full attendance by members at all meetings throughout the year.

Employee involvement

Communication with shareholders and employees to encourage full involvement in the company's development is an important part of the directors' strategy and all opportunities are taken to achieve this.

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and the various factors affecting the performance of the company through formal and informal meetings and regular newsletters.

Auditors

A resolution to re-appoint Carpenter Box LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Qualifying 3rd party indemnity provisions

The company maintains directors' and officers' insurance cover for directors and officers of the company against certain personal liabilities which they may incur in the performance of their duties as directors and officers. The upper limit of the indemnity provided by this policy is £1,000,000.

On behalf of the board

Mr D J Godsmark
Director
30 January 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FARGRO LIMITED

We have audited the financial statements of Fargro Limited for the year ended 30 September 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Robert Dowling (Senior Statutory Auditor)
for and on behalf of Carpenter Box LLP — 4 February 2014
Chartered Accountants
Statutory Auditor
Worthing

FARGRO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	2013 £	2012 £
Turnover	**2**	20,772,773	21,272,115
Cost of sales		(16,888,315)	(17,238,692)
Gross profit		3,884,458	4,033,423
Distribution costs		(331,394)	(320,601)
Administrative expenses		(3,059,814)	(3,088,284)
Other operating income		1,339	1,756
Operating profit	**3**	494,589	626,294
Investment income	**4**	44	43
Other interest receivable and similar income	**4**	20	17
Interest payable and similar charges	**5**	(24,003)	(23,762)
Profit on ordinary activities before taxation		470,650	602,592
Tax on profit on ordinary activities	**6**	(74,950)	(114,285)
Profit for the year	**17**	395,700	488,307

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FARGRO LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	**8**		1,734,740		1,810,335
Investments	**9**		2,677		2,633
			1,737,417		1,812,968
Current assets					
Stocks	**10**	1,959,213		1,923,151	
Debtors	**11**	3,234,222		3,327,618	
Cash at bank and in hand		513,181		499,073	
		5,706,616		5,749,842	
Creditors: amounts falling due within one year	**12**	(2,801,171)		(3,127,469)	
Net current assets			2,905,445		2,622,373
Total assets less current liabilities			4,642,862		4,435,341
Creditors: amounts falling due after more than one year	**13**		(148,558)		(213,542)
			4,494,304		4,221,799
Capital and reserves					
Called up share capital	**16**		189,531		189,531
Share premium account	**17**		6,840		6,840
Revaluation reserve	**17**		780,235		780,235
Other reserves	**17**		26,008		26,008
Profit and loss account	**17**		3,491,690		3,219,185
Shareholders' funds	**18**		4,494,304		4,221,799

Approved by the Board and authorised for issue on 30 January 2014

Mr D J Godsmark	Mr C E Goddard	Mr J McAlpine
Director	**Director**	**Director**

Company Registration No. 06386629

FARGRO LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	£	2013 £	£	2012 £
Net cash inflow from operating activities	**25**		459,071		651,271
Returns on investments and servicing of finance					
Interest received		64		60	
Interest paid		(21,302)		(20,609)	
Interest element of finance lease rentals		(2,701)		(3,153)	
Net cash outflow for returns on investments and servicing of finance			(23,939)		(23,702)
Taxation			(114,885)		(171,198)
Capital expenditure and financial investment					
Payments to acquire tangible assets		(31,392)		(10,796)	
Payments to acquire investments		(44)		(43)	
Receipts from sales of tangible assets		14,925		10,733	
Net cash outflow for capital expenditure			(16,511)		(106)
Equity dividends paid			(123,195)		(113,718)
Net cash inflow before management of liquid resources and financing			180,541		342,547
Financing					
Capital element of hire purchase contracts		(166,433)		(168,267)	
Net cash outflow from financing			(166,433)		(168,267)
Increase in cash in the year	**26, 27**		14,108		174,280

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Turnover

Turnover represents amounts receivable for goods and services in the course of ordinary activities, excluding rental income, net of settlement discounts allowed, VAT and other sales taxes and is recognised when goods and services have been dispatched/supplied.

1.4 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Not depreciated
Plant and machinery	20 - 33% straight line per annum
Fixtures, fittings and equipment	20 - 33% straight line per annum
Motor vehicles	40% straight line in the first year and then 33% reducing balance method

No depreciation is provided on the freehold buildings because, in the directors' opinion, the charge for the year and cumulative provision to date would, on the basis of reasonable and prudent estimates of their useful lives and residual values, be immaterial.

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the interest and finance charges allocated to future periods. The interest and finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Cost is calculated on an average cost basis which is not materially different from that calculated on a first-in, first-out basis.

1 Accounting policies **(Continued)**

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account. Forward purchase commitments are valued at contracted rates of exchange.

1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. Cohort (Worthing) Limited, a wholly owned subsidiary company, did not trade in the year to 30 September 2013. The directors believe the absence of consolidation is not material.

2 Turnover and profit on ordinary activities before taxation

	Turnover	
	2013	**2012**
	£	**£**
Class of business		
Requisites	17,651,204	18,252,610
Energy	3,121,569	3,019,505
	20,772,773	21,272,115

3 Operating profit

	2013	**2012**
	£	**£**
Operating profit is stated after charging:		
Depreciation of tangible assets	192,919	191,523
Loss on foreign exchange transactions	784	-
Operating lease rentals	24,031	24,450
Auditors' remuneration	12,000	12,000
and after crediting:		
Profit on disposal of tangible assets	(7,490)	(4,063)
Profit on foreign exchange transactions	-	(8,900)

None of the above operating lease rentals relate to plant and machinery as these costs are immaterial.

4	**Investment income**	**2013**	**2012**
		£	**£**
	Income from fixed asset investments	44	43
	Bank interest	14	5
	Other interest	6	12
		64	60

5	**Interest payable**	**2013**	**2012**
		£	**£**
	On bank loans and overdrafts	5,104	3,207
	Lease finance charges and hire purchase interest	18,899	20,555
		24,003	23,762

		2013	2012
6	**Taxation**	**£**	**£**
	Domestic current year tax		
	U.K. corporation tax	89,450	114,885
	Total current tax	89,450	114,885
	Deferred tax		
	Origination and reversal of timing differences	(14,500)	(600)
		74,950	114,285
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	470,650	602,592
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.50% (2012 - 25.00%)	110,603	150,648
	Effects of:		
	Non deductible expenses	650	828
	Net effect of depreciation and capital allowances	16,409	5,635
	Research and development relief	(28,766)	(25,543)
	Movement on pension provision	-	(4,297)
	Marginal relief	(9,446)	(12,386)
		(21,153)	(35,763)
	Current tax charge for the year	89,450	114,885

		2013	2012
7	**Dividends**	**£**	**£**
	Ordinary interim paid	56,859	56,859
	Ordinary interim paid - final 'prior year'	66,336	56,859
		123,195	113,718

8 **Tangible fixed assets**

	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 October 2012	1,450,000	235,147	336,367	751,612	2,773,126
Additions	-	9,500	20,892	94,367	124,759
Disposals	-	(413)	(24,572)	(76,397)	(101,382)
At 30 September 2013	1,450,000	244,234	332,687	769,582	2,796,503
Depreciation					
At 1 October 2012	-	204,347	320,572	437,872	962,791
On disposals	-	(413)	(24,572)	(68,962)	(93,947)
Charge for the year	-	28,215	14,946	149,758	192,919
At 30 September 2013	-	232,149	310,946	518,668	1,061,763
Net book value					
At 30 September 2013	1,450,000	12,085	21,741	250,914	1,734,740
At 30 September 2012	1,450,000	30,800	15,795	313,740	1,810,335

The freehold land and buildings were professionally valued by Cluttons LLP, Chartered Surveyors, on an open market basis at 30 September 2009. In light of the relocation project as disclosed in the directors' report the directors have not undertaken an interim valuation of the freehold land and buildings as they consider this to be an unnecessary expense given the time scales anticipated for the sale of site.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 October 2012 & at 30 September 2013	911,891
Depreciation based on cost	
At 1 October 2012	242,126
Charge for the year	-
At 30 September 2013	242,126
Net book value	
At 30 September 2013	669,765
At 30 September 2012	669,765

8 Tangible fixed assets **(Continued)**

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 30 September 2013	3,400	226,914	230,314
At 30 September 2012	10,900	306,000	316,900
Depreciation charge for the year			
At 30 September 2013	7,500	132,813	140,313
At 30 September 2012	12,174	141,414	153,588

9 Fixed asset investments

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
Cost or valuation			
At 1 October 2012	2,628	5	2,633
Additions	44	-	44
At 30 September 2013	2,672	5	2,677
Net book value			
At 30 September 2013	2,672	5	2,677
At 30 September 2012	2,628	5	2,633

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Cohort (Worthing) Limited	England & Wales	Ordinary	100.00

9 Fixed asset investments (Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2013 £	Profit/(loss) for the year 2013 £
Cohort (Worthing) Limited	Dormant	5	-

Cohort (Worthing) Limited's last financial year end was 31 March 2013.

10 Stocks

	2013 £	2012 £
Finished goods and goods for resale	1,959,213	1,923,151

11 Debtors

	2013 £	2012 £
Trade debtors	2,894,301	3,201,447
Other debtors	264,164	15,631
Prepayments and accrued income	55,057	104,340
Deferred tax asset (see note 14)	20,700	6,200
	3,234,222	3,327,618

12 Creditors: amounts falling due within one year

	2013	2012
	£	£
Net obligations under finance leases and hire purchase contracts	132,874	140,956
Trade creditors	2,038,346	2,247,135
Corporation tax	89,450	114,885
Other taxes and social security costs	317,788	316,025
Other creditors	9,665	25,761
Accruals and deferred income	213,048	282,707
	2,801,171	3,127,469

The bank holds a debenture and legal charge over the freehold property and a fixed and floating charge over all the company's assets on the company's overdraft facilities.

Obligations under finance lease and hire purchase contracts, due both within and after more than one year, are secured on the assets funded.

13 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Net obligations under finance leases and hire purchase contracts	148,558	213,542

	2013	2012
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	132,874	140,956
Repayable between one and five years	148,558	213,542
	281,432	354,498
Included in liabilities falling due within one year	(132,874)	(140,956)
	148,558	213,542

14 Provisions for liabilities

The deferred tax asset (included in debtors, note 11) is made up as follows:

	2013
	£
Balance at 1 October 2012	(6,200)
Profit and loss account	(14,500)
Balance at 30 September 2013	(20,700)

	2013	2012
	£	£
Decelerated capital allowances	(20,700)	(6,200)

The company has potential capital gains tax liability estimated at £Nil, arising from the revaluation of the freehold property.

15 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2013	2012
	£	£
Contributions payable by the company for the year	131,338	197,855

16 Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
189,531 Ordinary shares of £1 each	189,531	189,531

17 Statement of movements on reserves

	Share premium account	Revaluation reserve	Other reserves (see below)	Profit and loss account
	£	£	£	£
Balance at 1 October 2012	6,840	780,235	26,008	3,219,185
Profit for the year	-	-	-	395,700
Dividends paid	-	-	-	(123,195)
Balance at 30 September 2013	6,840	780,235	26,008	3,491,690

Other reserves
Members' interest

Balance at 1 October 2012 & at 30 September 2013	26,008

Members' interest represents unpaid dividends/share repayments which mainly relate to transactions in the company's previous status as a society.

18 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	395,700	488,307
Dividends	(123,195)	(113,718)
Net addition to shareholders' funds	272,505	374,589
Opening shareholders' funds	4,221,799	3,847,210
Closing shareholders' funds	4,494,304	4,221,799

19 Financial commitments

At 30 September 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2014:

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
Within one year	8,000	-

20 Capital commitments

	2013	2012
	£	£
At 30 September 2013 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	203,680	7,810

At 30 September 2013 forward currency deals were in place to the value of £1,886,345 (2012 - £2,398,777).

21 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	253,529	225,213
Company pension contributions to defined contribution schemes	81,766	128,726
	335,295	353,939

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2012 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	65,864	62,301
Company pension contributions to defined contribution schemes	46,279	55,524

Directors' emoluments above exclude benefits in kind valued at £25,877 (2012 - £26,091).

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Sales and distribution	38	38
Energy	2	2
Administration	21	22
	61	62

Employment costs	2013 £	2012 £
Wages and salaries	1,767,360	1,683,122
Social security costs	185,257	176,097
Other pension costs	131,338	197,855
	2,083,955	2,057,074

23 Control

There is no ultimate controlling party.

24 Post balance sheet events

After the year end the board approved a final dividend of £0.35 per ordinary share.

25 Reconciliation of operating profit to net cash outflow from operating activities

	2013 £	2012 £
Operating profit	494,589	626,294
Depreciation of tangible assets	192,919	191,523
Profit on disposal of tangible assets	(7,490)	(4,063)
(Increase)/decrease in stocks	(36,062)	321,504
Decrease/(increase) in debtors	107,896	(7,330)
Decrease in creditors within one year	(292,781)	(476,657)
Net cash inflow from operating activities	459,071	651,271

26 Analysis of net funds

	1 October 2012	Cash flow	Other non-cash changes	30 September 2013
	£	£	£	£
Net cash:				
Cash at bank and in hand	499,073	14,108	-	513,181
Debt:				
Finance leases	(354,498)	166,433	(93,367)	(281,432)
Net funds	144,575	180,541	(93,367)	231,749

27 Reconciliation of net cash flow to movement in net funds

	2013	2012
	£	£
Increase in cash in the year	14,108	174,280
Cash outflow from decrease in debt and lease financing	166,433	168,267
Change in net debt resulting from cash flows	180,541	342,547
New finance lease	(93,367)	(185,049)
Movement in net funds in the year	87,174	157,498
Opening net funds/(debt)	144,575	(12,923)
Closing net funds	231,749	144,575

28 Related party relationships and transactions

Any transactions entered into during the year between businesses the directors are connected with and the company were on an arms length basis. Businesses, in which certain directors are connected, purchased goods and services to the value of £1,127,722 (2012 - £1,232,792) from the company and owed £230,938 (2012 - £312,579) to the company at 30 September 2013.

The company maintains directors' and officers' insurance cover for directors and officers of the company against certain personal liabilities which may incur in the performance of their duties as directors and officers. The upper limit of the indemnity provided by this policy is £1,000,000.