

REGISTERED NUMBER: 1591771

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2011

FOR

HEART OF ENGLAND GRAIN COMPANY LIMITED

SATURDAY



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FOR THE YEAR ENDED 31 JULY 2011**

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HEART OF ENGLAND GRAIN COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2011**

DIRECTORS: L J Collins
J H Hardman

SECRETARY: Mrs S J Francis

REGISTERED OFFICE: Countrywide House
Asparagus Way
Vale Park
Evesham
Worcestershire
WR11 1GN

REGISTERED NUMBER: 1591771

AUDITORS: Cresswells Accountants LLP
Chartered Accountants and Statutory Auditors
Barclays Bank Chambers
Market Street
Hebden Bridge
HX7 6AD

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2011**

The directors present their report with the accounts of the company for the year ended 31 July 2011

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of grain trading

REVIEW OF BUSINESS

The company enjoyed an excellent year increasing its level of profitability in what remains a very volatile market

Heart of England Country Feeds produced a similar level of profitability to 2010 and the grain trading operation enjoyed a very strong year

The company's profit for the year was £551,319 (2010 £255,932) Shareholders' funds have increased from £998,473 to £1,356,110

DIVIDENDS

The total distribution of dividend for the year ended 31 July 2011 will be £54,768

FUTURE DEVELOPMENTS

All the trade and assets of the company will be transferred to the holding company, Countrywide Farmers plc, on 30th November 2011

DIRECTORS

L J Collins and J H Hardman were appointed as directors after 31 July 2011 but prior to the date of this report

J G England , D F Godfrey , N S J Hooper , H Raby and J P Stafford ceased to be directors after 31 July 2011 but prior to the date of this report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2011**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

ON BEHALF OF THE BOARD:

S J Francis

Mrs S J Francis - Secretary

Date *23 November 2011*

**REPORT OF THE INDEPENDENT AUDITORS TO
HEART OF ENGLAND GRAIN COMPANY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of Heart of England Grain Company Limited for the year ended 31 July 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



John Dakin (Senior Statutory Auditor)
for and on behalf of Cresswells Accountants LLP
Chartered Accountants and Statutory Auditors
Barclays Bank Chambers
Market Street
Hebden Bridge
HX7 6AD

Date 23 November 2011

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2011**

	Notes	2011 £	£	2010 £	£
TURNOVER			32,584,507		23,870,390
Cost of sales			(31,165,489)		(22,618,128)
			<u>1,419,018</u>		<u>1,252,262</u>
Distribution costs		140,268		131,575	
Administrative expenses		<u>713,482</u>		<u>848,714</u>	
			853,750		980,289
OPERATING PROFIT	3		565,268		271,973
Interest receivable and similar income			<u>1,575</u>		<u>431</u>
			566,843		272,404
Interest payable and similar charges	4		<u>15,524</u>		<u>16,412</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			551,319		255,992
Tax on profit on ordinary activities	5		<u>138,914</u>		<u>56,202</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>412,405</u></u>		<u><u>199,790</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**ABBREVIATED BALANCE SHEET
31 JULY 2011**

	Notes	2011 £	2010 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	377,802	395,751
Investments	9	1	1
		<u>377,803</u>	<u>395,752</u>
CURRENT ASSETS			
Stocks	10	131,389	133,876
Debtors	11	3,607,280	2,402,673
Cash at bank and in hand		57,294	223,796
		<u>3,795,963</u>	<u>2,760,345</u>
CREDITORS			
Amounts falling due within one year	12	<u>2,809,655</u>	<u>2,149,658</u>
NET CURRENT ASSETS		<u>986,308</u>	<u>610,687</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,364,111</u>	<u>1,006,439</u>
PROVISIONS FOR LIABILITIES	16	<u>8,001</u>	<u>7,966</u>
NET ASSETS		<u><u>1,356,110</u></u>	<u><u>998,473</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	64,784	64,784
Capital redemption reserve	18	34,416	34,416
Profit and loss account	18	1,256,910	899,273
SHAREHOLDERS' FUNDS	23	<u><u>1,356,110</u></u>	<u><u>998,473</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 23 November 2011 and were signed on its behalf by:


L J Collins - Director


J H Hardman - Director

The notes form part of these abbreviated accounts

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2011**

	Notes	2011 £	2010 £
Net cash (outflow)/inflow from operating activities	1	(299,996)	1,160,492
Returns on investments and servicing of finance	2	(13,949)	(15,981)
Taxation		(61,219)	(60,722)
Capital expenditure	2	(20,161)	(6,230)
Equity dividends paid		(54,768)	(54,768)
		<u>(450,093)</u>	<u>1,022,791</u>
Financing	2	(207,965)	(9,383)
(Decrease)/Increase in cash in the period		<u>(658,058)</u>	<u>1,013,408</u>

Reconciliation of net cash flow to movement in net funds

	3		
(Decrease)/Increase in cash in the period		(658,058)	1,013,408
Cash outflow from decrease in debt		<u>207,965</u>	<u>9,383</u>
Change in net funds resulting from cash flows		<u>(450,093)</u>	<u>1,022,791</u>
Movement in net funds in the period		<u>(450,093)</u>	<u>1,022,791</u>
Net funds/(debt) at 1 August		<u>15,831</u>	<u>(1,006,960)</u>
Net (debt)/funds at 31 July		<u>(434,262)</u>	<u>15,831</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2011

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	565,268	271,973
Depreciation charges	38,510	44,121
Profit on disposal of fixed assets	(400)	-
Decrease in stocks	2,487	22,270
(Increase)/Decrease in debtors	(1,204,607)	296,987
Increase in creditors	298,746	525,141
Net cash (outflow)/inflow from operating activities	(299,996)	1,160,492

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,575	431
Interest paid	(15,524)	(16,412)
Net cash outflow for returns on investments and servicing of finance	(13,949)	(15,981)
Capital expenditure		
Purchase of tangible fixed assets	(20,561)	(6,230)
Sale of tangible fixed assets	400	-
Net cash outflow for capital expenditure	(20,161)	(6,230)
Financing		
Loan repayments in year	(207,965)	(9,383)
Net cash outflow from financing	(207,965)	(9,383)

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 8 10 £	Cash flow £	At 31 7 11 £
Net cash			
Cash at bank and in hand	223,796	(166,502)	57,294
Bank overdraft	-	(491,556)	(491,556)
	<u>223,796</u>	<u>(658,058)</u>	<u>(434,262)</u>
Debt			
Debts falling due within one year	(207,965)	207,965	-
	<u>(207,965)</u>	<u>207,965</u>	<u>-</u>
Total	<u>15,831</u>	<u>(450,093)</u>	<u>(434,262)</u>

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2011**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Preparation of consolidated financial statements

The financial statements contain information about Heart of England Grain Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements on the grounds that the amounts concerned are immaterial.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- over 50 years
Improvements to property	- over 3 years
Fixtures and fittings	- over 3 to 10 years
Motor vehicles	- over 5 years
Computer equipment	- over 3 to 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	2011 £	2010 £
Wages and salaries	385,163	528,365
Social security costs	38,392	58,054
Other pension costs	15,391	15,391
	<u>438,946</u>	<u>601,810</u>

The average monthly number of employees during the year was as follows:

	2011	2010
Management	5	5
Other staff	9	9
	<u>14</u>	<u>14</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Other operating leases	20,240	20,240
Depreciation - owned assets	38,510	42,121
Profit on disposal of fixed assets	(400)	-
Goodwill amortisation	-	2,000
Auditors' remuneration	12,500	6,750
Other services relating to taxation	1,200	700
All other services	17,257	6,440
	<u>155,795</u>	<u>283,944</u>
Directors' remuneration	<u>155,795</u>	<u>283,944</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Bank interest	-	109
Loan	15,524	16,303
	<u>15,524</u>	<u>16,412</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2011	2010
	£	£
Current tax		
UK corporation tax	138,879	61,219
Deferred tax	35	(5,017)
Tax on profit on ordinary activities	<u>138,914</u>	<u>56,202</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>551,319</u>	<u>255,992</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 21%)	154,369	53,758
Effects of		
Expenses not deductible	1,027	867
Depreciation in excess of capital allowances	2,840	6,594
Change in tax rate during the period	(3,778)	-
Marginal relief	<u>(15,579)</u>	<u>-</u>
Current tax charge	<u>138,879</u>	<u>61,219</u>

Factors that may affect future tax charges

A corporation tax rate of 28% (2010 - 21%) has been used as the directors consider that this is the rate of tax applicable to the company taking in to account its results

6 DIVIDENDS

	2011 £	2010 £
Final 2010	51,828	51,828
Interim	2,940	2,940
	<u>54,768</u>	<u>54,768</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2010 and 31 July 2011	<u>17,334</u>
AMORTISATION	
At 1 August 2010 and 31 July 2011	<u>17,334</u>
NET BOOK VALUE	
At 31 July 2011	<u>-</u>
At 31 July 2010	<u>-</u>

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

8 TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Fixtures and fittings £
COST			
At 1 August 2010	380,597	6,230	169,561
Additions	-	-	7,150
Disposals	-	-	(5,000)
At 31 July 2011	380,597	6,230	171,711
DEPRECIATION			
At 1 August 2010	67,608	853	106,032
Charge for year	7,512	2,400	16,894
Eliminated on disposal	-	-	(5,000)
At 31 July 2011	75,120	3,253	117,926
NET BOOK VALUE			
At 31 July 2011	305,477	2,977	53,785
At 31 July 2010	312,989	5,377	63,529
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 August 2010	118,483	23,231	698,102
Additions	13,411	-	20,561
Disposals	(15,422)	-	(20,422)
At 31 July 2011	116,472	23,231	698,241
DEPRECIATION			
At 1 August 2010	106,078	21,780	302,351
Charge for year	10,253	1,451	38,510
Eliminated on disposal	(15,422)	-	(20,422)
At 31 July 2011	100,909	23,231	320,439
NET BOOK VALUE			
At 31 July 2011	15,563	-	377,802
At 31 July 2010	12,405	1,451	395,751

Included in cost of land and buildings is freehold land of £5,000 (2010 - £5,000) which is not depreciated

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 August 2010 and 31 July 2011	<u>1</u>
NET BOOK VALUE	
At 31 July 2011	<u>1</u>
At 31 July 2010	<u>1</u>

The company's investments at the balance sheet date in the share capital of companies include the following

H E Pringle Limited

Nature of business dormant

	% holding 100 00	2011 £	2010 £
Class of shares			
Ordinary			
Aggregate capital and reserves		<u>1,255</u>	<u>1,255</u>

H E Pringle Limited was dormant throughout the current and preceding year

10 STOCKS

	2011 £	2010 £
Stocks	<u>131,389</u>	<u>133,876</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	3,097,946	2,328,740
Other debtors	470,797	-
Loan - Total Break Limited	-	36,000
Prepayments and accrued income	38,537	37,933
	<u>3,607,280</u>	<u>2,402,673</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts (see note 13)	491,556	7,965
Other loans (see note 13)	-	200,000
Trade creditors	2,103,271	1,673,635
Amounts owed to group undertakings	1,255	1,255
Tax	138,879	61,219
Social security and other taxes	9,783	26,317
Directors Remuneration	-	132,350
Accrued expenses	64,911	46,917
	<u>2,809,655</u>	<u>2,149,658</u>

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

13 LOANS

An analysis of the maturity of loans is given below

	2011 £	2010 £
Amounts falling due within one year or on demand		
Bank overdrafts	491,556	-
Bank loans	-	7,965
Loan - Heart of England Grain		
Company Limited Pension Scheme	-	200,000
	<u>491,556</u>	<u>207,965</u>

14 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

		Land and buildings
	2011 £	2010 £
Expiring		
Between one and five years	<u>20,240</u>	<u>20,240</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank overdraft	491,556	-
Bank loans	-	7,965
Loan - Heart of England Grain		
Company Limited Pension Scheme	-	200,000
	<u>491,556</u>	<u>207,965</u>

The bank loan was secured by a first legal charge over the company's freehold property at Preston Capes

The Trustees of the Heart of England Grain Company Limited Pension Scheme held a second charge over the company's freehold property at Preston Capes

16 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	<u>8,001</u>	<u>7,966</u>
		Deferred tax
		£
Balance at 1 August 2010		7,966
Accelerated capital allowance		35
Balance at 31 July 2011		<u>8,001</u>

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £	2010 £
64,784	Ordinary		<u>64,784</u>	<u>64,784</u>

18 RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1 August 2010	899,273	34,416	933,689
Profit for the year	412,405		412,405
Dividends	(54,768)		(54,768)
At 31 July 2011	<u>1,256,910</u>	<u>34,416</u>	<u>1,291,326</u>

19 PENSION COMMITMENTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in separately independently administered funds. The pension cost charge represents contributions paid by the company to the funds and amounted to £15,391 (2010 £15,391).

20 OTHER FINANCIAL COMMITMENTS

At the end of the year the company held forward grain contracts of £233,975 (2010 - £133,182) which are due for settlement by May 2012.

21 RELATED PARTY DISCLOSURES

During the year the company paid loan interest of £9,600 (2010 £9,600) to the Heart of England Grain Company Limited Executive Pension Scheme. Messrs H Raby and J P Stafford are Trustees and Beneficiaries of this Scheme. The directors are of the opinion that these amounts represent open market values. At the balance sheet date the company owed the Scheme £nil (2010 £200,000).

At the balance sheet date the company owed its subsidiary, H E Pringle Limited, £1,255 (2010 £1,255) by way of loan.

Messrs Raby, Hooper and Stafford are also directors of Total Break Limited. At the balance sheet date the company owed Total Break Limited £nil (2010 £36,000) by way of loan.

The following amounts were paid as dividends to the directors

	<u>2011</u> £	<u>2010</u> £
J P Stafford	13,372	13,372
H Raby	13,372	13,372
N J S Hooper	13,372	13,372
J G England	13,371	13,371
D F Godfrey	1,281	1,281
	<u>54,768</u>	<u>54,768</u>

HEART OF ENGLAND GRAIN COMPANY LIMITED (REGISTERED NUMBER: 1591771)

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011**

22 ULTIMATE CONTROLLING PARTY

On 1 August 2011 the whole of the companies issued share capital was acquired by Countrywide Farmers Plc

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	412,405	199,790
Dividends	(54,768)	(54,768)
Net addition to shareholders' funds	357,637	145,022
Opening shareholders' funds	998,473	853,451
Closing shareholders' funds	1,356,110	998,473