

Registered number: 01567159

**HENRY BELL & CO (GRANTHAM) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2013**

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## **HENRY BELL & CO (GRANTHAM) LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	R N Lee T D Lee C E J Foster
<b>Company secretary</b>	C E J Foster
<b>Registered number</b>	01567159
<b>Registered office</b>	Dysart Road Grantham Lincolnshire NG31 7DB
<b>Independent auditors</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor 14 Park Row Nottingham NG1 6GR

**HENRY BELL & CO (GRANTHAM) LIMITED**

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## **HENRY BELL & CO (GRANTHAM) LIMITED**

### **DIRECTORS' REPORT For the year ended 30 June 2013**

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

#### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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

#### **Principal activities**

During the year the company's principal activities were the production of cereal seed and pulses, pet food manufacture, agricultural merchants, warehousing and distribution.

#### **Business review**

The directors are pleased to report that the company has remained profitable and turnover has increased from £18,237,027 to £21,975,567. A key indicator of the performance of the business is profit margin achieved after raw materials and consumables compared to turnover. This has increased in the year, as detailed on page 5, despite the increase in raw material prices.

The business remains in a strong position at 30 June 2013 with current assets of £4,704,771 (2012 £4,427,314). This will enable the company to continue to trade confidently, through what remains a period of economic uncertainty.

#### **Principal risks and uncertainties**

Economic factors can affect the business activity through raw materials price fluctuation which the company manages by the agreement of short term fixed prices agreements with its suppliers.

The company is also subject to competitive pressures from a number of companies in the UK. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers.

**HENRY BELL & CO (GRANTHAM) LIMITED**

**DIRECTORS' REPORT**  
**For the year ended 30 June 2013**

**Results and dividends**

The profit for the year, after taxation, amounted to £277,457 (2012 £237,830)

The directors have not recommended a dividend for the year (2012 £200,000)

**Directors**

The directors who served during the year were

R N Lee  
T D Lee  
C E J Foster

**Future developments**

The business has grown steadily over recent years. Continued growth is anticipated going forward based upon the continuing strong customer relationships that have been established by the directors and employees.

**Research and development activities**

New products and technology are invested in on an ongoing basis to improve the efficiency and profitability of the business.

**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'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's auditors are aware of that information.

This report was approved by the board and signed on its behalf



**C E J Foster**  
Director

Date 16-12-2013

## **HENRY BELL & CO (GRANTHAM) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BELL & CO (GRANTHAM) LIMITED**

We have audited the financial statements of Henry Bell & Co (Grantham) Limited for the year ended 30 June 2013, set out on pages 5 to 15. 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**HENRY BELL & CO (GRANTHAM) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HENRY BELL & CO (GRANTHAM) 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, 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

*Cooper Parry Group Limited*

Richard Jones (senior statutory auditor)

for and on behalf of

**Cooper Parry Group Limited**

Chartered Accountants

Statutory Auditor

Nottingham

Date *19th December 2013*

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **PROFIT AND LOSS ACCOUNT** **For the year ended 30 June 2013**

	<b>Note</b>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Turnover</b>	1,2	21,975,567	18,237,027
Other operating income		575	2,544
Raw materials and consumables		(17,043,234)	(14,244,271)
Staff costs		(1,473,658)	(1,761,032)
Depreciation and amortisation		(204,905)	(191,300)
Other operating charges		(2,893,108)	(1,735,825)
<b>Operating profit</b>	3	361,237	307,143
Interest receivable and similar income		4,828	6,684
<b>Profit on ordinary activities before taxation</b>		366,065	313,827
Tax on profit on ordinary activities	6	(88,608)	(75,997)
<b>Profit for the financial year</b>	15	277,457	237,830

All amounts relate to continuing operations

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

The notes on pages 7 to 15 form part of these financial statements

**HENRY BELL & CO (GRANTHAM) LIMITED**  
Registered number: 01567159

**BALANCE SHEET**  
As at 30 June 2013

	Note	£	2013 £	2012 £
<b>Fixed assets</b>				
Intangible assets	7		24,000	48,000
Tangible assets	8		670,209	733,790
Investments	9		37,975	37,975
			<u>732,184</u>	<u>819,765</u>
<b>Current assets</b>				
Stocks	10	1,194,750	1,299,266	
Debtors	11	4,634,499	4,441,965	
Cash at bank		220,628	425,932	
		<u>6,049,877</u>	<u>6,167,163</u>	
<b>Creditors: amounts falling due within one year</b>	12	(2,043,276)	(2,528,792)	
<b>Net current assets</b>			<u>4,006,601</u>	<u>3,638,371</u>
<b>Total assets less current liabilities</b>			<u>4,738,785</u>	<u>4,458,136</u>
<b>Provisions for liabilities</b>				
Deferred tax	13		(34,014)	(30,822)
<b>Net assets</b>			<u><u>4,704,771</u></u>	<u><u>4,427,314</u></u>
<b>Capital and reserves</b>				
Called up share capital	14		3,000	3,000
Profit and loss account	15		4,701,771	4,424,314
<b>Shareholders' funds</b>	16		<u><u>4,704,771</u></u>	<u><u>4,427,314</u></u>

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

T D Lee  
Director



Date 16-12-2013

The notes on pages 7 to 15 form part of these financial statements

## **HENRY BELL & CO (GRANTHAM) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### **1.2 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### **1.3 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 5 years.

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	12.5% to 17.5% straight line
Motor vehicles	-	17.5% straight line
Furniture, fittings and equipment	-	10% to 20% straight line

##### **1.5 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.7 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.

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.

# HENRY BELL & CO (GRANTHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013

### 1 Accounting policies (continued)

#### 1.8 Pensions

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

### 2. Turnover

The whole of the turnover is derived from the company's principal activities and originated in the United Kingdom

A geographical analysis of turnover is by destination as follows

	2013 £	2012 £
United Kingdom	21,228,272	17,784,557
Rest of World	747,295	452,470
	<u>21,975,567</u>	<u>18,237,027</u>

### 3 Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Amortisation - intangible fixed assets	24,000	24,000
Depreciation of tangible fixed assets		
- owned by the company	180,905	167,300
Loss on disposal of tangible fixed assets	1,191	4,171
Auditors' remuneration	9,500	9,250
Operating lease rentals		
- other operating leases	555	1,413
	<u>215,051</u>	<u>206,134</u>

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 30 June 2013**

### **4 Staff costs**

Staff costs, including directors' remuneration, were as follows

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,238,429	1,538,734
Social security costs	151,900	145,942
Other pension costs	83,329	76,356
	<u>1,473,658</u>	<u>1,761,032</u>

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

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No.</b>
Administrative	18	19
Sales	6	6
Production	37	34
	<u>61</u>	<u>59</u>

### **5 Directors' remuneration**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>43,522</u>	<u>308,446</u>
Company pension contributions to defined contribution pension scheme	<u>52,678</u>	<u>23,518</u>

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

The highest paid director received remuneration of £40,738 (2012 £174,111)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £50,000 (2012 £3,518)

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 30 June 2013

### **6 Taxation**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	85,416	69,091
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	3,192	6,906
<b>Tax on profit on ordinary activities</b>	<u>88,608</u>	<u>75,997</u>

### **Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 lower than) the standard rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u>366,065</u>	<u>313,827</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	87,856	81,595
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,576	4,692
Difference between depreciation and capital allowances	(5,561)	(15,734)
Other timing differences	-	8,828
Small companies marginal relief	(4,455)	(6,253)
Tax rate adjustment	-	(4,037)
<b>Current tax charge for the year</b> (see note above)	<u>85,416</u>	<u>69,091</u>

### **Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**HENRY BELL & CO (GRANTHAM) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2013

**7. Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 July 2012 and 30 June 2013	120,000
<b>Amortisation</b>	
At 1 July 2012	72,000
Charge for the year	24,000
At 30 June 2013	96,000
<b>Net book value</b>	
At 30 June 2013	24,000
At 30 June 2012	48,000

**8. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2012	2,964,343	138,888	147,504	3,250,735
Additions	87,930	41,835	-	129,765
Disposals	(46,490)	(40,785)	-	(87,275)
At 30 June 2013	3,005,783	139,938	147,504	3,293,225
<b>Depreciation</b>				
At 1 July 2012	2,292,356	77,085	147,504	2,516,945
Charge for the year	158,210	22,695	-	180,905
On disposals	(46,490)	(28,344)	-	(74,834)
At 30 June 2013	2,404,076	71,436	147,504	2,623,016
<b>Net book value</b>				
At 30 June 2013	601,707	68,502	-	670,209
At 30 June 2012	671,987	61,803	-	733,790

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 30 June 2013

### **9. Fixed asset investments**

	Investments in subsidiary companies £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 July 2012 and 30 June 2013	37,975	456,000	493,975
<b>Impairment</b>			
At 1 July 2012 and 30 June 2013	-	456,000	456,000
<b>Net book value</b>			
At 30 June 2013	37,975	-	37,975
At 30 June 2012	37,975	-	37,975

### **Subsidiary undertakings**

The following were dormant subsidiary undertakings of the company

Name	Class of shares	Holding
Universal Pet Care Limited	Ordinary	100%
Henry Bell & Co (Grain Merchants) Limited	Ordinary	100%
Leeway Seeds Limited	Ordinary	100%
Supervite Pet Foods Limited	Ordinary	100%
Top Dog Distribution Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Universal Pet Care Limited	(1,607)	-
Henry Bell & Co (Grain Merchants) Limited	13,895	-
Leeway Seeds Limited	2	-
Supervite Pet Foods Limited	332	-
Top Dog Distribution Limited	25,000	-

### **Other investments**

In prior years, the company made investments in unregulated investment schemes

### **10. Stocks**

	2013 £	2012 £
Goods for resale	1,194,750	1,299,266

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 30 June 2013

### **11. Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,787,833	2,846,390
Amounts owed by group undertakings	1,268,078	1,329,813
Other debtors	472,068	165,597
Prepayments and accrued income	106,520	100,165
	<u>4,634,499</u>	<u>4,441,965</u>

### **12. Creditors:** **Amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,571,276	1,788,306
Amounts owed to group undertakings	38,896	38,896
Corporation tax	85,416	69,091
Other taxation and social security	142,810	97,556
Other creditors	39,656	39,435
Accruals and deferred income	165,222	495,508
	<u>2,043,276</u>	<u>2,528,792</u>

### **13. Deferred taxation**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
At beginning of year	30,822	23,916
Profit and loss account	3,192	6,906
	<u>34,014</u>	<u>30,822</u>

The provision for deferred taxation is made up as follows

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>34,014</u>	<u>30,822</u>

### **14. Share capital**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 30 June 2013

### **15. Reserves**

	Profit and loss account £
At 1 July 2012	4,424,314
Profit for the year	277,457
	<hr/>
At 30 June 2013	<u>4,701,771</u>

### **16 Reconciliation of movement in shareholders' funds**

	2013 £	2012 £
Opening shareholders' funds	4,427,314	4,389,484
Profit for the financial year	277,457	237,830
Dividends (Note 17)	-	(200,000)
	<hr/>	<hr/>
Closing shareholders' funds	<u>4,704,771</u>	<u>4,427,314</u>

### **17. Dividends**

	2013 £	2012 £
Dividends	-	200,000
	<hr/>	<hr/>

### **18. Pension commitments**

The company operates pension schemes for the benefit of its directors and employees as follows

#### **Defined contribution scheme**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £50,000 (2012 £20,000).

#### **Individual employee schemes**

The company makes contributions to the personal pension schemes of certain employees who elect to make personal pension arrangements at an equivalent rate of 5% of their salary. The pension cost in these financial statements represents contributions payable by the company to these schemes and amounted to £33,329 (2012 £56,356).

# **HENRY BELL & CO (GRANTHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2013**

### **19 Operating lease commitments**

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within 1 year	1,667	1,140
Between 2 and 5 years	3,333	-
	<u>          </u>	<u>          </u>

### **20. Related party transactions**

During the year, the following transactions took place with Henry Bell & Co (Morley) Limited. The company is related to Henry Bell & Co (Morley) Limited by virtue of common directorships during the year

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts invoiced for services provided	175,000	175,000
Royalties received	21,372	19,866
Expenses recharged	21,916	19,028
Amounts owed by Henry Bell & Co (Morley) Limited	39,072	48,199
	<u>          </u>	<u>          </u>

### **21. Ultimate parent undertaking and controlling party**

The company is controlled by Henry Bell Holdings Limited

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Henry Bell Holdings Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ

In the opinion of the directors, Henry Bell Holdings Limited is the ultimate parent company and the ultimate controlling party. Henry Bell Holdings Limited is controlled by T D Lee by virtue of his shareholding.