

# WOLDGRAIN STORAGE

## 2018 AGM



Department  
for Environment  
Food & Rural Affairs



This project is supported by the Rural Development Programme for England, for which Defra is the Managing authority, part financed by the European Agricultural Fund for Rural Development Europe investing in rural areas.



## 2018 AGM

### Agenda



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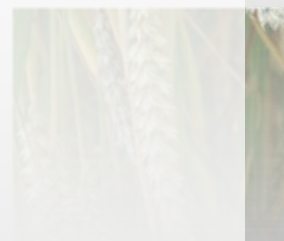
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- Chairman's Overview — *Fred Myers*
- 2017/18 Accounts — *Lee Bradbury*
- Harvest 2018 Review — *John Burnett*
- Market Development Group — *Tom Marsden*
- General Discussion

 **Forrester Boyd**  
Chartered Accountants

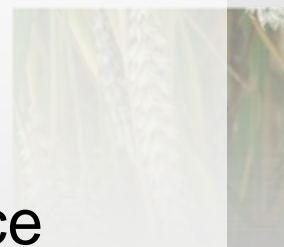
## 2017/18 Overview

- Another good year
- Operating profits £239k
- Nett surplus £203k
- Store improvements £350k
  - New outloading point
  - Second intake conveying route
  - New sweep augers in original 1980's silos



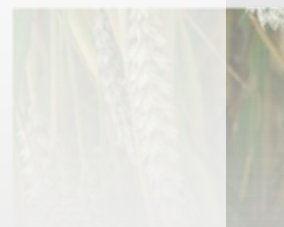
## Chairman's Overview

- Store charges held at £11/mt for 3<sup>rd</sup> year
- Drying charges held at 2017 rates
- Drying charges capped @ 18%
- Grow our profile: winning the Lincolnshire Business Awards; Food & Farming Excellence
- Two new members
- Enquiries from prospective members
- Mains gas installation








## Chairman's Overview

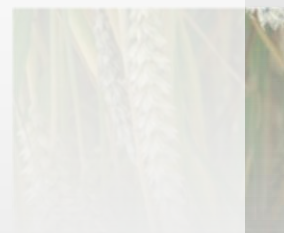
- Driest harvest on record
- Drying income of £46k
- Drying income in 2017 was £282k
- Profitability & Cash flow down
- £125k overdraft facility in place
- Possible £1/mt levy!!
- Intention is to hold store and drying charges at their current level
- But no dividend return!





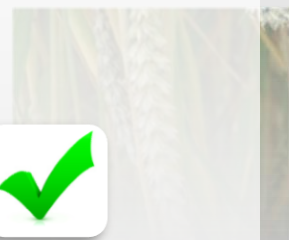
# ***5 Year Plan 2015 - 2020***

- Growth to 120,000mt – Flat Store for Beans
- Install a colour sorter. 
- Reduce store charges to £ 9/mt
- £1m Increase Share holders Funds. 
- Increase income through added value contracts 
- Late outloading arrangements 
- Rank Hovis, Gainsborough 



# ***5 Year Plan 2015 - 2020***

- Promote Woldgrain  
Locally & to the wider food industry:
- Small Business of the Year 2016 (Gainsborough  
Business Awards) 
- Food & Farming Excellence Award 2017 (Lincolnshire  
Business Awards) 
- 3 year sponsorship of The Lincolnshire Show 



## 2017/18 Accounts



**WOLDGRAIN STORAGE LIMITED  
REVENUE ACCOUNT  
FOR THE YEAR ENDED 15 JULY 2018**

	2018	2017
	£	£
<b>Services supplied:</b>		
Drying, haulage and operating charges	1,165,119	1,021,571
Grain surplus	237,659	310,343
Service charges released	341,029	361,347
Grant released	140,196	140,196
	<u>1,884,003</u>	<u>1,833,457</u>
<b>Expenditure</b>	(1,109,559)	(985,605)
<b>Surplus before depreciation</b>	<u>774,444</u>	<u>847,852</u>
Depreciation of tangible fixed assets	(543,938)	(526,869)
	<u>230,506</u>	<u>320,983</u>
Rent received	4,254	4,150
Insurance claims	-	643
Sundry income	4,161	30
<b>Operating profit</b>	<u>238,921</u>	<u>325,806</u>
Return of store surplus to members	-	(170,000)
Bank interest receivable	1,129	753
Bank loan interest payable	(37,064)	(40,938)
<b>Surplus for the year before taxation</b>	<u>202,986</u>	<u>115,621</u>
Taxation	(1,028)	(972)
<b>Surplus for the year after taxation</b>	<u>201,958</u>	<u>114,649</u>
Balance brought forward	1,091,819	977,170
<b>Balance carried forward</b>	<u>1,293,777</u>	<u>1,091,819</u>

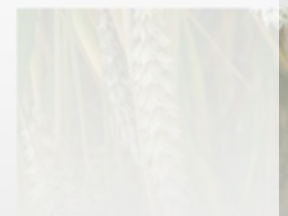


# 2017/18 Accounts



## WOLDGRAIN STORAGE LIMITED BALANCE SHEET AS AT 15 JULY 2018

		2018	2017
	£	£	£
<b>Fixed assets</b>			
Tangible fixed assets		10,390,863	10,561,667
Investments		1	1
		<u>10,390,864</u>	<u>10,561,668</u>
<b>Current assets</b>			
Stocks	18,676		12,822
Debtors and prepayments	693,620		740,683
Cash at bank and in hand	229,558		357,647
	<u>941,854</u>	<u>1,111,152</u>	
<b>Creditors: amounts falling due within one year</b>			
Creditors and accruals	467,615		706,891
	<u>467,615</u>	<u>706,891</u>	
<b>Net current assets</b>		474,239	404,261
<b>Total assets less current liabilities</b>		<u>10,865,103</u>	<u>10,965,929</u>
<b>Creditors: amounts falling due after more than one year</b>			
Tonnage share loans	2,448,459		3,871,611
Grants deferred	2,806,242		2,946,438
Bank loans	1,396,449		1,501,667
		<u>(6,651,150)</u>	<u>(8,319,716)</u>
<b>Accruals and deferred income</b>		<u>(2,919,516)</u>	<u>(1,553,739)</u>
<b>Net assets</b>		<u><u>1,294,437</u></u>	<u><u>1,092,474</u></u>
<b>Capital and reserves</b>			
Called up share capital		660	655
Accumulated funds		1,293,777	1,091,819
<b>Members' funds</b>		<u><u>1,294,437</u></u>	<u><u>1,092,474</u></u>



## 2017/18 Accounts



**WOLDGRAIN STORAGE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 15 JULY 2018**

		2018	2017
	£	£	£
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		238,921	325,806
Return of store surplus to members		-	(170,000)
Depreciation of tangible fixed assets		543,938	526,869
(Increase)/decrease in stocks		(5,854)	3,794
Decrease/(increase) in debtors		47,063	(183,163)
(Decrease)/increase in creditors due within one year		(239,332)	60,950
Service charges invoiced/transfers from tonnage loans		1,706,806	317,385
Service charges released		(341,029)	(361,347)
Grants released		(140,196)	(140,196)
<b>Net cash inflow from operating activities</b>		<b>1,810,317</b>	<b>380,098</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid	(37,064)		(40,938)
Interest received	1,129		753
<b>Net cash outflow for returns on investments and servicing of finance</b>		<b>(35,935)</b>	<b>(40,185)</b>
<b>Taxation</b>		<b>(972)</b>	<b>(1,278)</b>

## 2017/18 Accounts



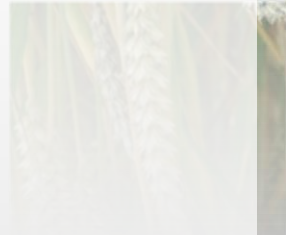
WOLDGRAIN STORAGE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 15 JULY 2018

 **Forrester Boyd**  
Chartered Accountants

<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets	(373,134)		(434,863)	
<b>Net cash outflow for capital expenditure</b>		(373,134)		(434,863)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		1,400,276		(96,228)
<b>Financing</b>				
Issue of ordinary share capital	5		5	
Grants received	-		-	
Increase/(decrease) in bank loans	(105,218)		35,411	
Increase/(decrease) in tonnage loans	(1,423,152)		32,000	
<b>Net cash inflow/(outflow) from financing</b>		(1,528,365)		67,416
<b>(Decrease) in cash</b>		<b>(128,089)</b>		<b>(28,812)</b>
<b>Represented by:</b>				
(Decrease) in cash		(128,089)		(28,812)
Cash at bank and in hand at the start of the year		357,647		386,459
<b>Cash at bank and in hand at the end of the year</b>		<b>229,558</b>		<b>357,647</b>

## Harvest 2018

- Total intake to date 73,600mt
- Stored across 58 silos
- Largest day of intake was 2,960mt
- Average day of intake was 1,345mt
- Busiest day of vehicle movements 6<sup>th</sup> August
  - 105 intakes, 17 outloads = 122 vehicle movements, 3,538mt moved





### ● Harvest Quality

- Ergot was present in wheat and barley, affecting 5% of the cereal intake.
- This is a third down on the 2017 intake.
- Bushel weights were average to high, with 95.9% of wheats delivered 72+ and Group 1 wheats to 83.7kg/hl
- Hagberg Falling Numbers were average to high.
- Wheat proteins were high to very high, with Lennox to 17.9%

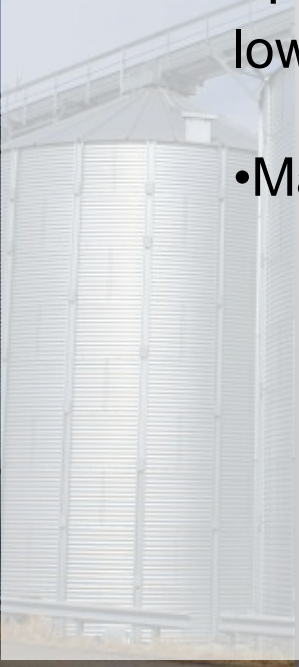




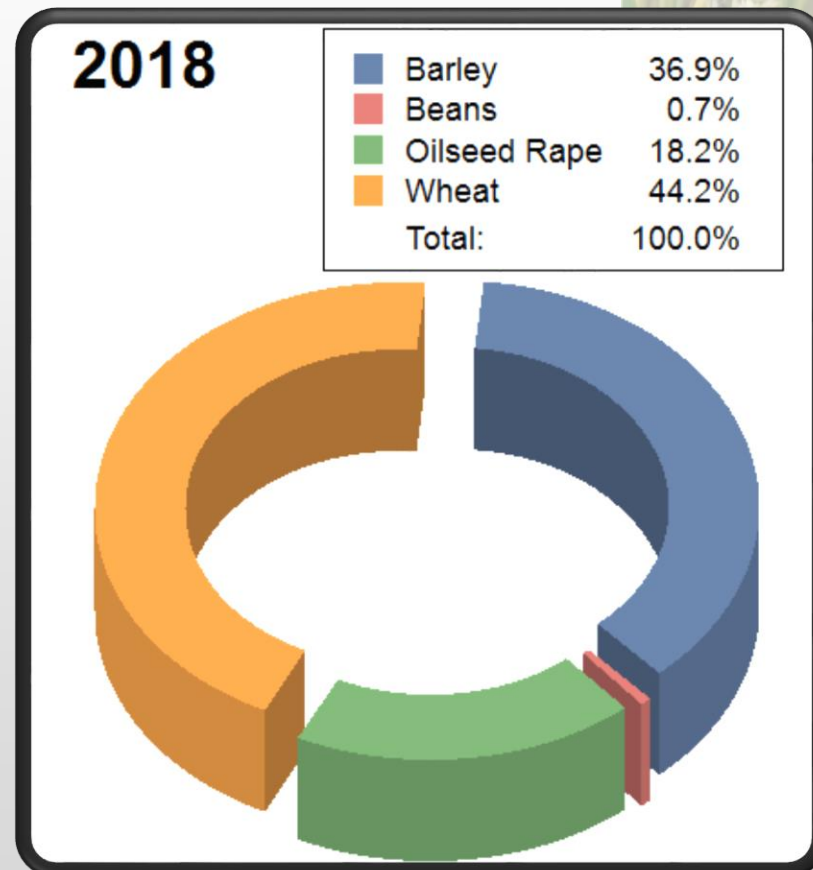
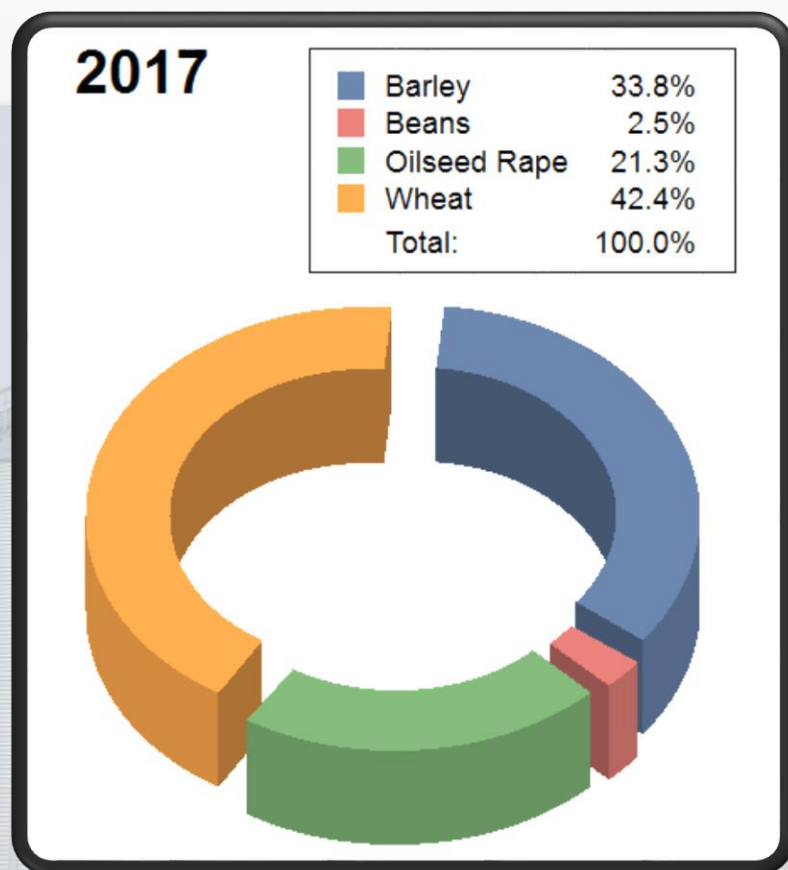


### ● Harvest Quality

- DON and ZON results were all very low to low.
- Barley Nitrogens have been average but variable.
- Propino, Planet and Laureate were graded three ways as low ( $<1.65\text{N}$ ), high ( $1.65\text{-}1.85\text{N}$ ) and over  $1.85\text{N}$
- Malting barley tonnage was down by 18% on the 2017 intake.



- Harvest Tonnages – Proportions constant.

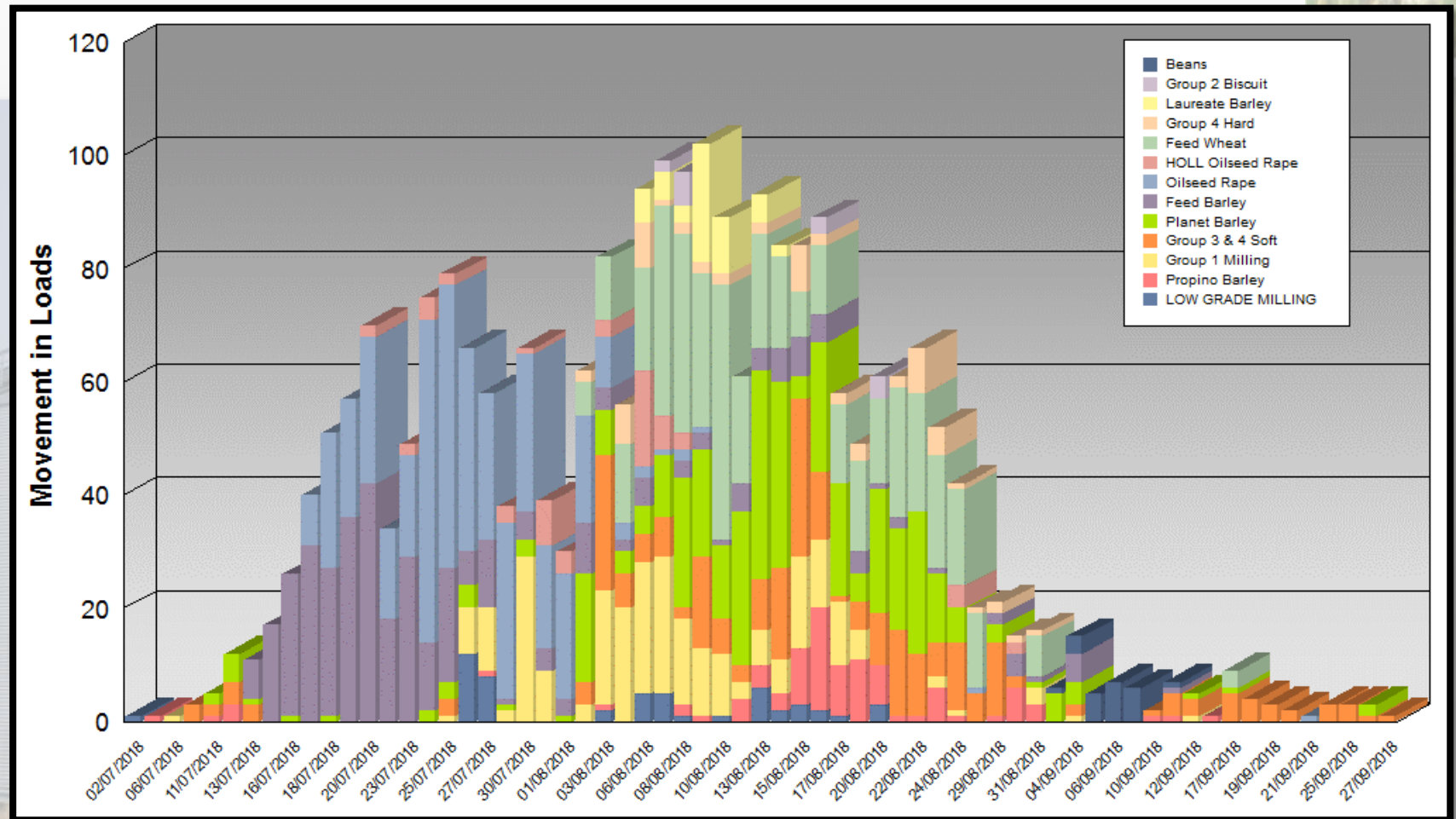


## ● Harvest Quality

- **14** Main Classes which results in **18** storage segregations in total, with **7** segregations for wheat, **7** for barley, **2** for oilseed and **2** for beans. This is down from **19** segregations in 2018.

	Wheat	Barley
1	Gp1 Milling	Propino High
2	Warburtons Milling	Propino Low
3	Siskin Gp2	Planet High
4	Low Grade Milling	Planet Low
5	Gp4 Hard	Laureate High
6	Gp 3&4 Soft	Laureate Low
7	Feed Wheat	Feed Barley

● Daily Intake in loads by Class  
*14 main class segregations this year*







### ● Harvest Quality

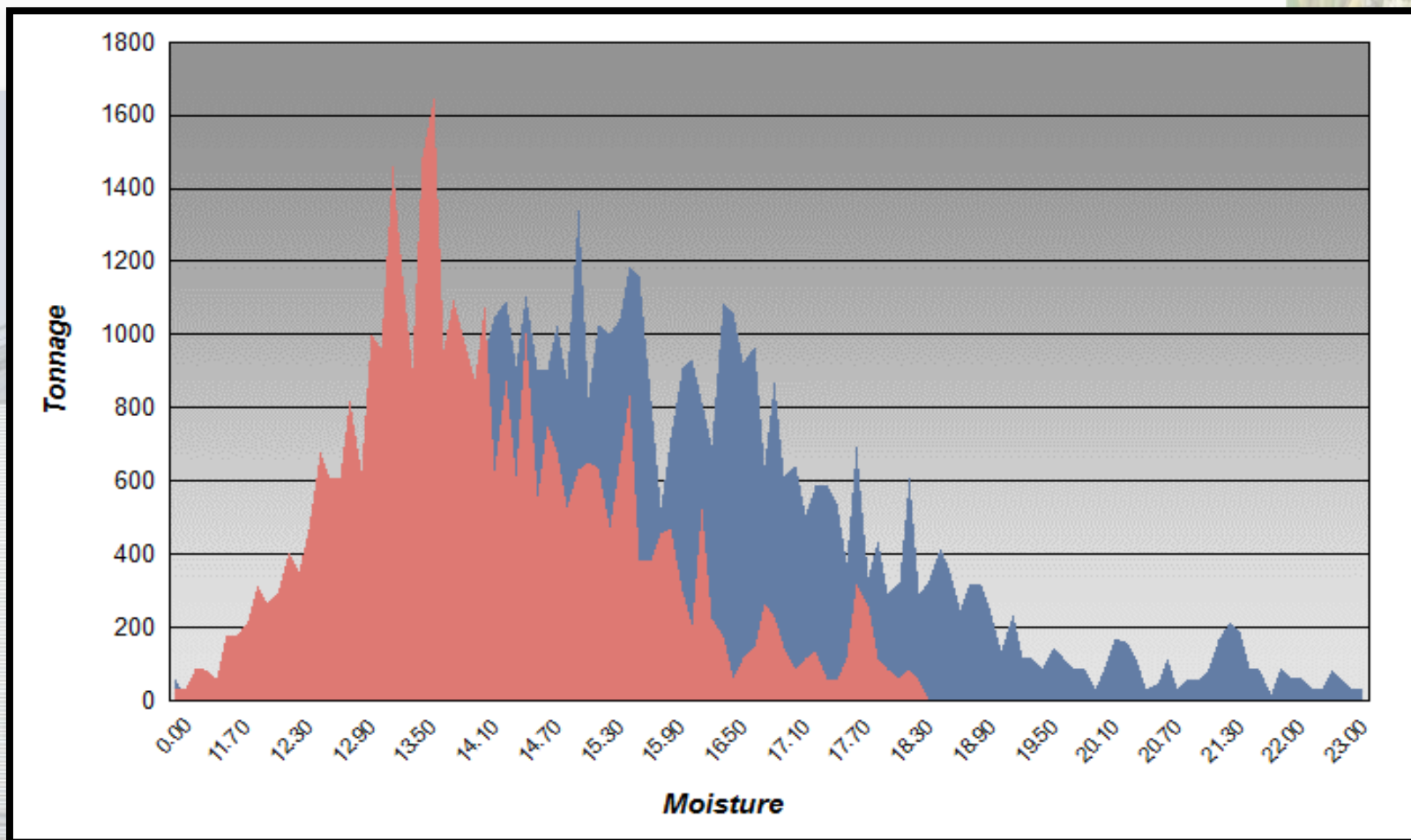
- 4.4% of oilseed rape was delivered over 9% moisture, down from 30% in 2017, with an average intake moisture of 7.20%.
- Oils averaged 45.19%, across 13,000mt.
- 371mt of wheat & barley were delivered in excess of 18% moisture, benefitting from capped drying charges. This is down from 12,000mt in 2017.
- 6,000mt of wheat, barley and beans were delivered from 15-15.5%, avoiding any drying charges.





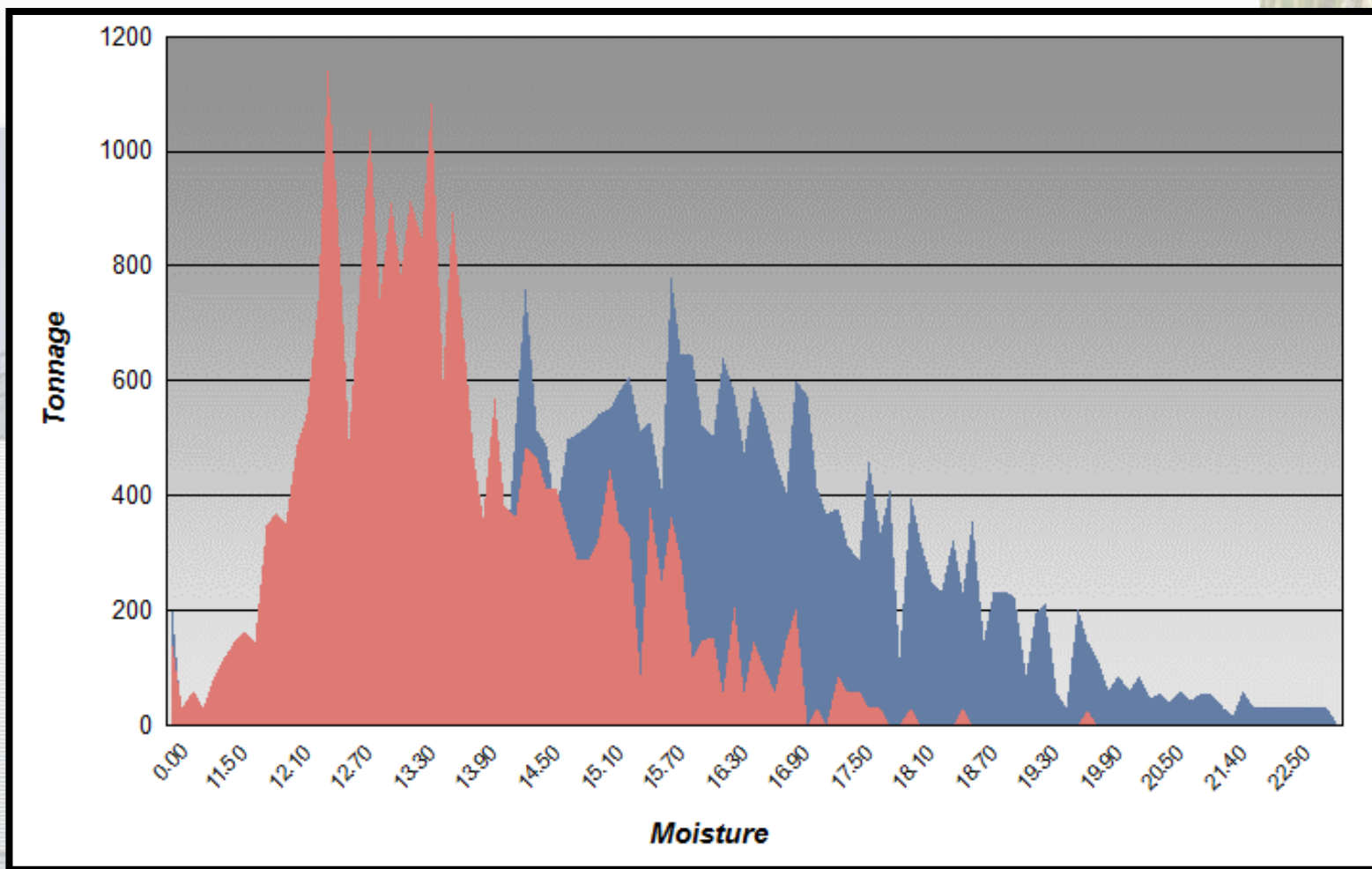
## Harvest 2018

- 14.2 % Average Wheat moisture  
31,067 mt Delivered



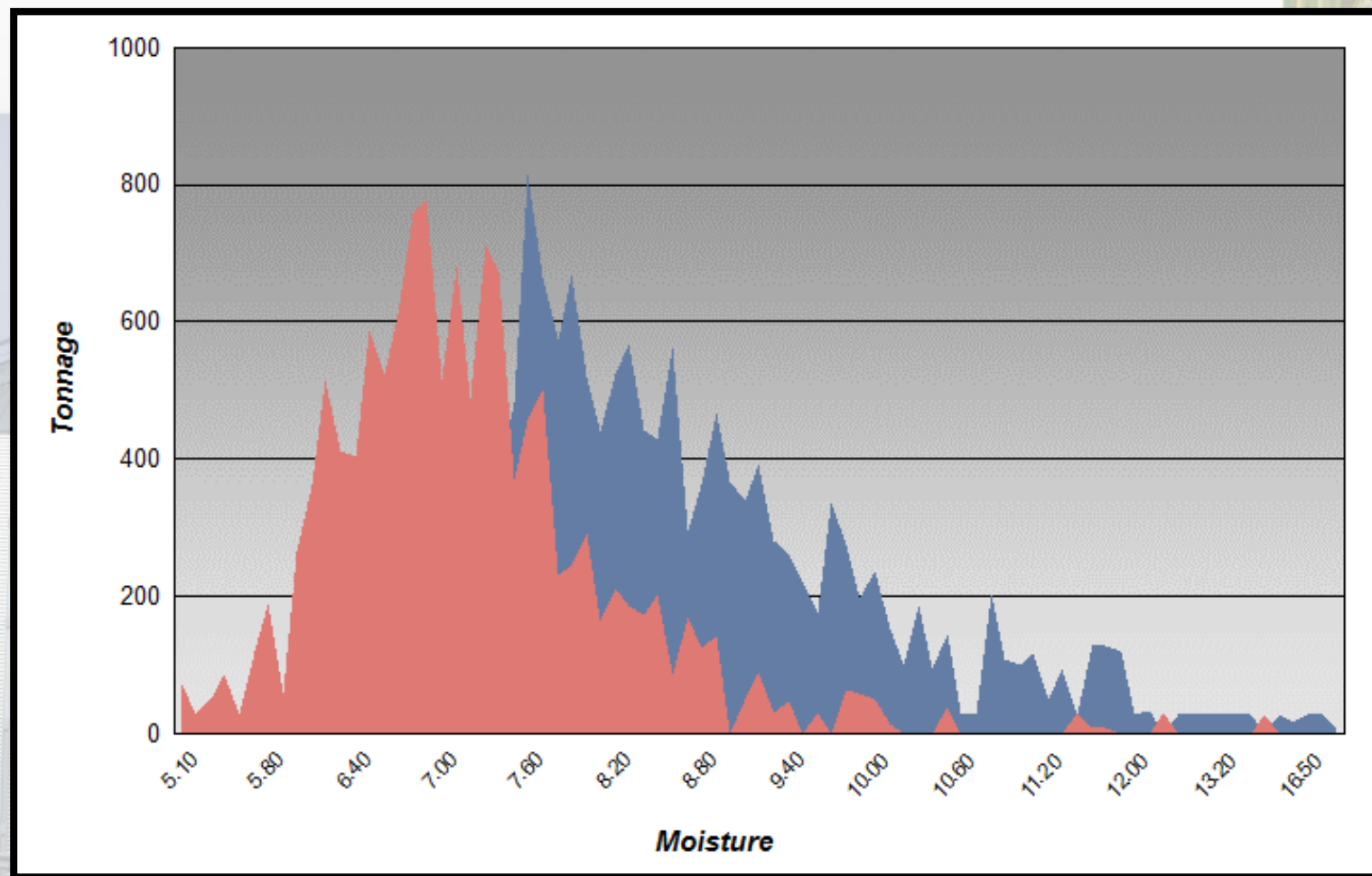
## Harvest 2018

- 13.5 % Average Barley moisture  
24,969 mt Delivered



## Harvest 2018

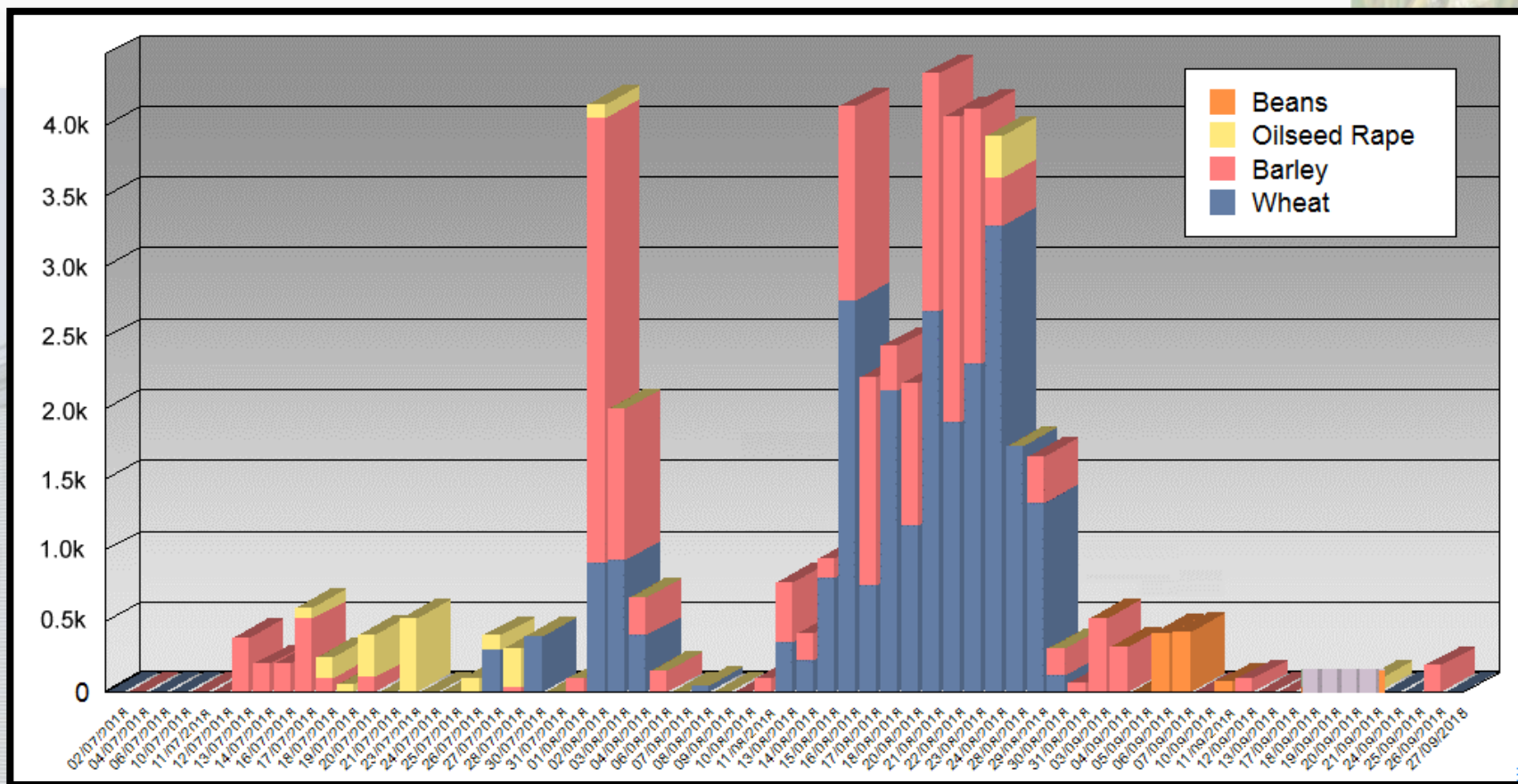
- 7.2 % Average Oilseed moisture  
12,635 mt Delivered



## Harvest 2018

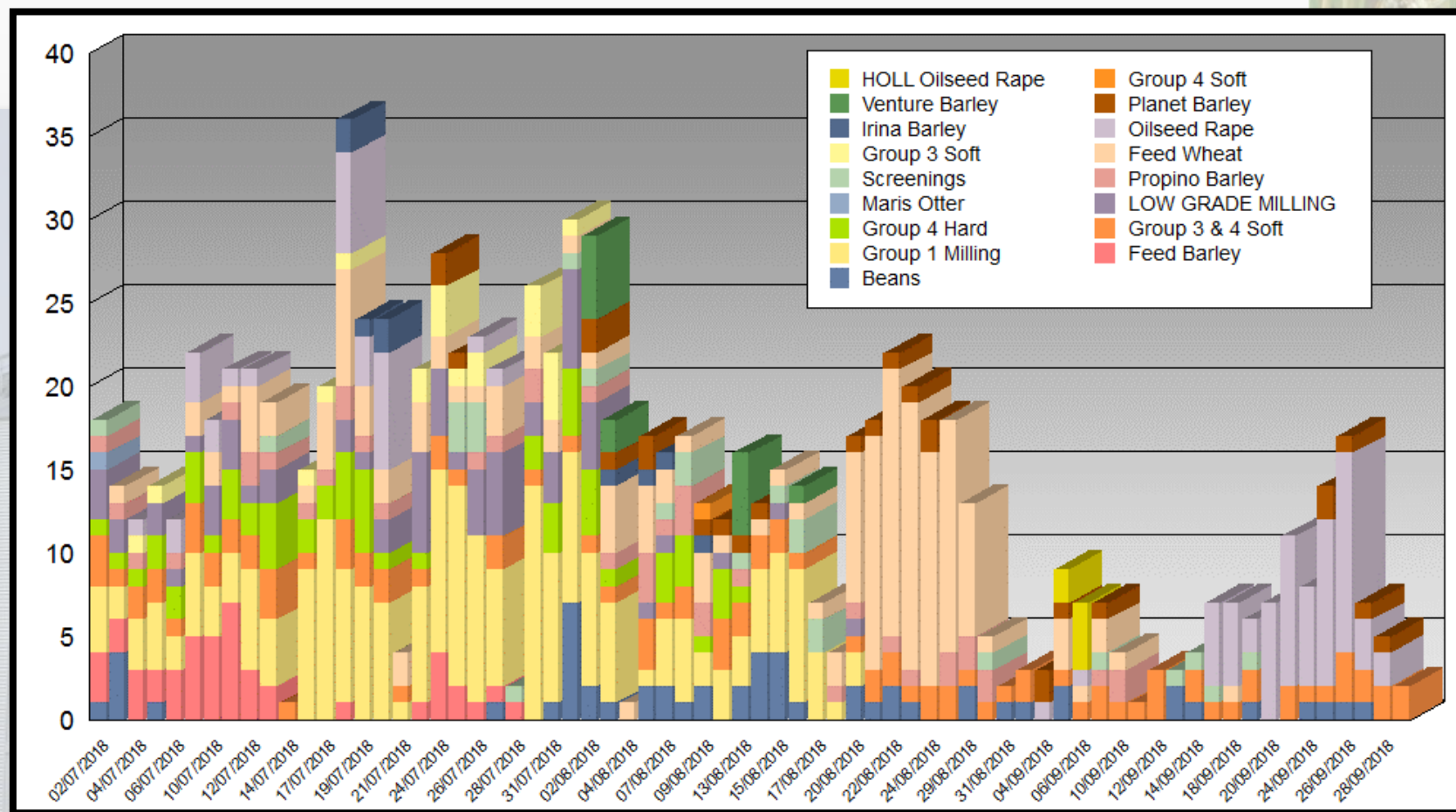


- Daily drying revenue ,Total £ 45,863 @ avg £0.65/mt



## Harvest 2018

- 25% - 22,000 mt outloaded July to Oct 2018.

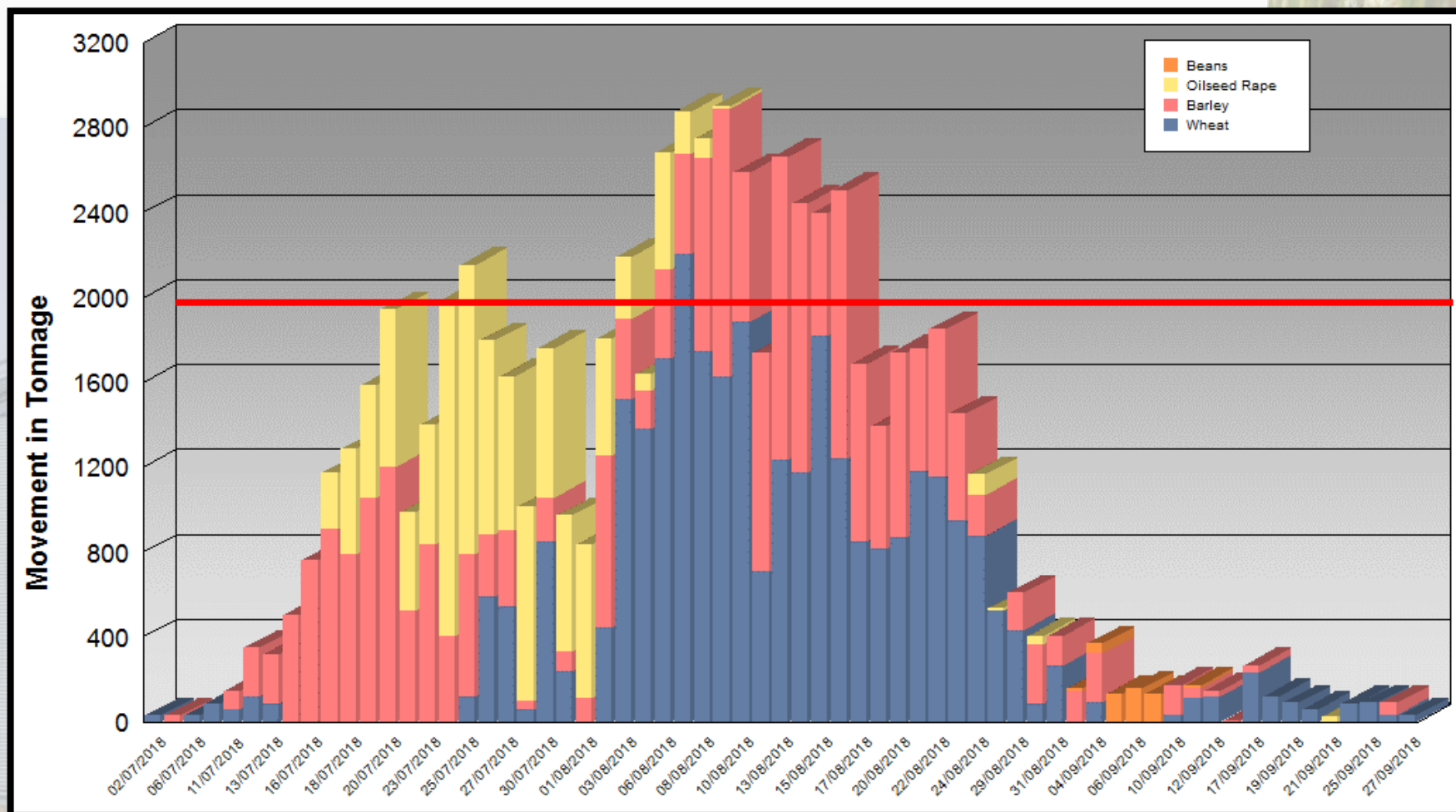




## Harvest 2018

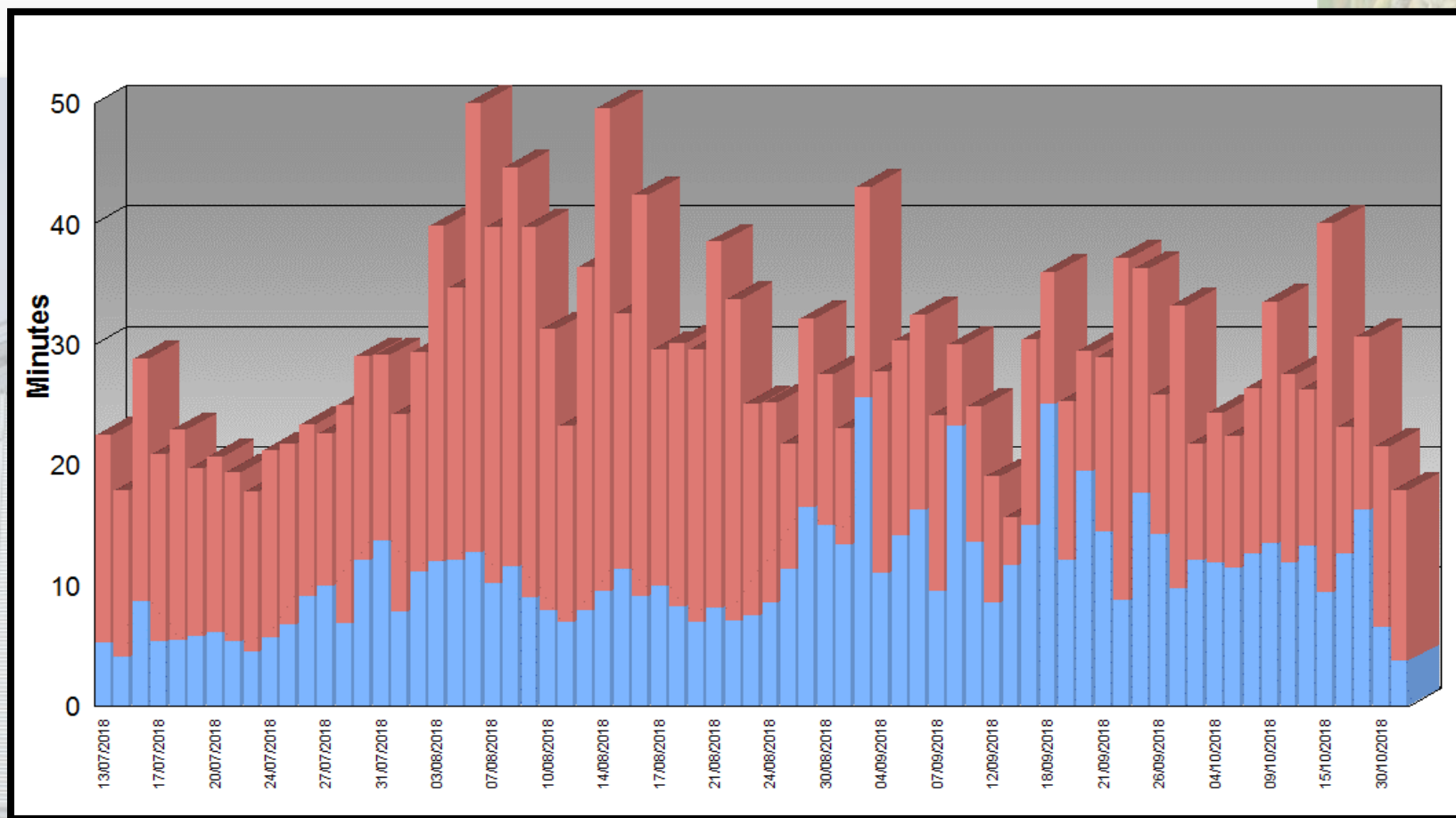


- Daily Intake in tonnage by commodity.  
*Avg 1,900 mt during the peak 35 days*

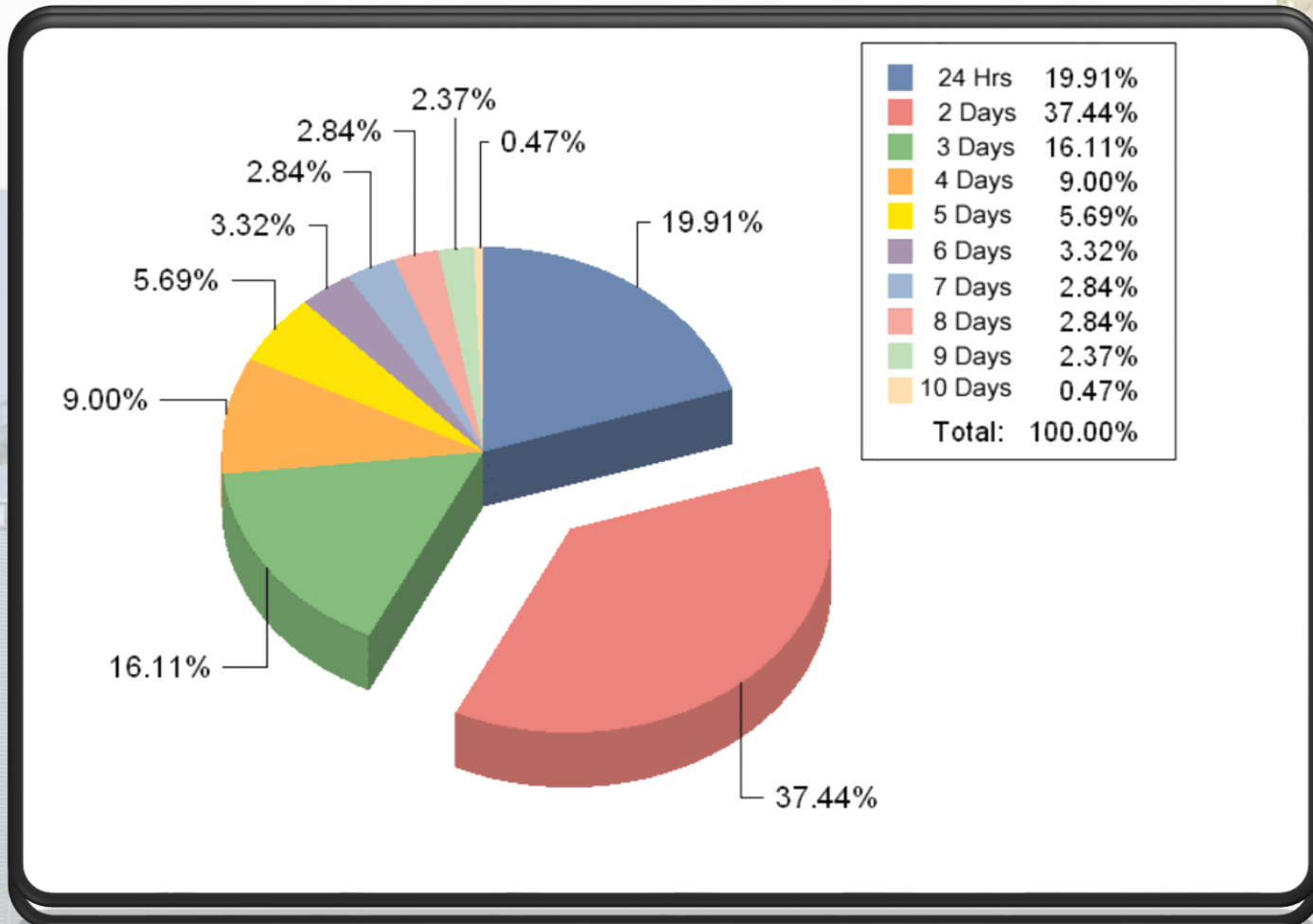


## Harvest 2018

- Average Daily Intake in minutes  
*2017 = 11:25 - Testing 36:45 - Tipping = 48:10 On site*  
*2018 = 10:40 - Testing 16:10 - Tipping = 26:50 On site*



## ● Waiting time in Days



- Looking towards Harvest 2019

After consultation with our marketing partners, we will be storing the following varieties of malting barley for harvest 2019:

Craft (w)

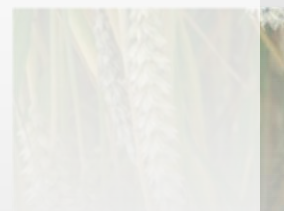
Planet

Propino

Laureate

ZON Tests will be completed on wheats at intake

Intentions forms will be sent out during March.



## Store Development

- 2 New Silos added – 3000mt for harvest 2016.
- Colour Sorter being installed in January 2017.
- Hemswell part of the West Lindsay DC Food Enterprise Zone (FeZ)
- 16 original silos refurbished (£250K)
- New outloading elevator (May 2018)
- New intake conveyors to G & H silos





## Store Development



## Market Development Group (MDG)

- Chairman - **Tom Marsden**

- Aims & Objectives

- *To promote Woldgrain.*
- *Look for opportunities to add value to crops.*

- Through :

- *Discussions with end users.*
- *Our marketing partners develop value added streams.*
- *Open, frank dialogue with our marketing partners.*

- Marketing Partners



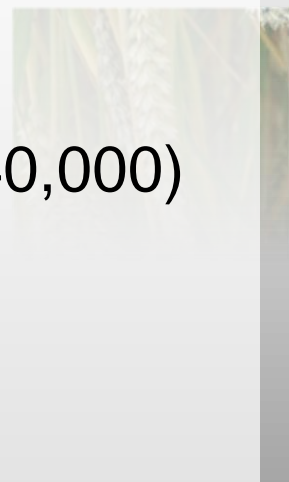
**United Oilseeds**



**A surcharge may be applied to any tonnage traded by members with non-marketing partners.**

● **Total Added Value £271k (£313k)**

- *Oilseed Rape* - **£56,500** (£28,000)
- *Gainsborough Soft Wheat* - **£46,500** (£40,000)
- *Late Movements* - **£35,500** (£65,000)
- *Blending & Upgrading* - **£22,500** (£47,000)
- *Storage* - **£110,000** (£133,000)







## Supply Agreement



- Food safety issues remain high on AB Mauri's agenda, particularly mycotoxins, and ergot.
- Woldgrain continues as the preferred supplier to AB Mauri Gainsborough.
- **What does this mean for the member?** A guaranteed premium against a low specification for wheat that would otherwise be feed grade.
- 2014 - 6,000mt
- 2015 - 8,000mt
- 2016 - 10,000mt
- 2017- 10,000mt

## Market Development Group (MDG) Late Supply Agreements – 2017 crop



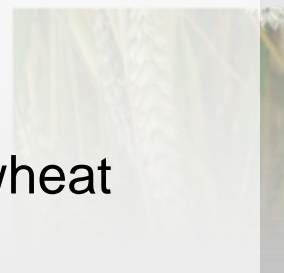
2,300 mt of Propino & Planet



Gainsborough, 1,300 mt Grp 3&4 soft wheat

22,000mt outloaded July, August & September

Total added value £43,000, last year £63,000





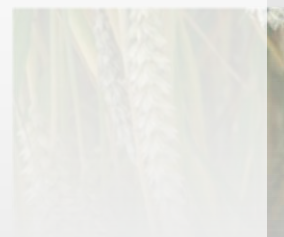


- **Promotion of Woldgrain**
  - Lincolnshire Show
  - Gainsborough Small business awards 2016
- **Lincolnshire Food & Farming Excellence Award 2017**
- **Visits to the Store By:**
  - Hovis / AB Mauri
  - Clydesdale & Yorkshire Bank
- **New members:**
  - A.N Kerr
  - A.H. Farms
- **Presentations to:**
  - Market Rasen Farming Conference (Feb 2019)



## Added Value Developments

- Upgrading opportunities – AB Mauri
- Hard & Soft feed wheats
- Low Grade Milling wheat
- Spring Barley – over 1.85N, up to 2.00N
- HOLL oilseed contracts
- All added value opportunities being pursued
- For any of these opportunities please contact: Kit Dickinson at Openfield, Andy Hill at Frontier or Chris Baldwin at UOS.



## Harvest 2018



- Currently no screenings deducted from feed grades
- Screenings deducted to zero on milling & malting grades
- Handling loss of 1% deducted from feed grades
- Handling loss of 0.5% deducted from milling & malting
- Members credited with 2% admix on oilseed rape
- Admix deducted to zero on beans



## Harvest 2019

- Bring deductions into line with Merchants' contracts
- 4% allowance for malting barley
- 2% allowance for milling wheat
- No change to feed grades or oilseed
- 2% allowance on beans admix
- Move to 1.25% handling loss on all crops

