

REGISTERED NUMBER - 563365
(England and Wales)

TOM BARRON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

SATURDAY



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COMPANIES HOUSE

TOM BARRON LIMITED
OFFICERS AND ADVISORS

Directors

Keith William Leeming
Neil William Leeming
Martin Barron Tomlinson
Frank Barron Leeming
David Harrison

Company secretary

Martin William Delaney

Registered office

The Poultry Farm
Catforth
Preston
PR4 0HQ

Auditors

Whitehead & Aldrich
Chartered Accountants
& Statutory Auditor
5 Ribblesdale Place
Preston
Lancashire
PR1 8BZ

Bankers

The Royal Bank of Scotland plc
97 Fishergate
Preston
PR1 2DP

TOM BARRON LIMITED**DIRECTORS' REPORT****YEAR ENDED 30TH JUNE 2011**

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30th June 2011

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the group during the year was poultry and dairy farming

The main financial Key Performance Indicators of the group are turnover, gross profit, profit before tax and cash flow from operations. The group's business activities, financial condition or results of operations could be affected by any or all of the following risks or uncertainties -

Competitive nature of the market

The dairy market consists of large and small processors and distributors competing for sales to customers of varying sizes. The group manages this risk by being competitive on price and by offering an efficient and flexible service to its customers. The poultry market is highly competitive and comprises a small number of large distributors selling different breeds to customers. The differences in breed attributes such as mortality profiles, saleable eggs per bird, liveability, feed efficiency and price affect the choice of customers when purchasing birds. The group has exclusive rights for ISA products in the UK and Eire. The birds are highly regarded in the market place and provide a competitive advantage for the group. The Tom Barron group is the only independent layer hatchery serving the United Kingdom.

Government legislation

The Government's animal welfare policy, together with potential legislation covering transport of poultry, cattle and laying conditions for poultry, could adversely affect the group's profitability if, as a result, the group has to upgrade its facilities. Changes in the Government's taxation policies could also affect the group's profitability.

Suppliers' financial stability

The group is the exclusive distributor in the UK and Eire for ISA breeds of poultry. It is dependent upon the continued supply of parent stock from the Hendrix Genetics group of companies which supplies ISA products and on the perception in the market place of ISA birds.

UK Economy

The dairy and poultry markets are influenced by general economic conditions, including changes in milk prices, feed prices, interest rates, fuel prices, indirect taxation, the cost and availability of credit and other factors which affect the levels of consumer confidence. The group maintains a tight control on the operating efficiency of its subsidiaries, mitigating the risks and ensuring that it is in a position to benefit from opportunities as and when they arise.

RESULTS AND DIVIDENDS

The profit for the year amounted to £166,517. The directors have not recommended a dividend.

TOM BARRON LIMITED**DIRECTORS' REPORT** (continued)**YEAR ENDED 30TH JUNE 2011****FINANCIAL INSTRUMENTS**

The group holds or issues financial instruments in order to achieve three main objectives, being

- (a) to finance its operations,
- (b) to manage its exposure to fluctuating levels of stock and debtors, and
- (c) for trading purposes

The major financial risks faced by the group relate to interest rates and funding. The policies agreed for managing these financial risks have remained the same since the beginning of the year under review and are summarised below -

The group finances its operations by a mixture of fixed and floating loans together with an invoice discounting facility for certain trade debtors

The group has limited exposure to foreign currency when purchasing breeder flocks from Europe and nor does it undertake any trading in financial instruments

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 30 June	At 1 July
	2011	2010
Keith William Leeming	-	-
Neil William Leeming	5,000	5,000
Martin Barron Tomlinson	4,166	4,166
Frank Barron Leeming	2,500	2,500
David Harrison	-	-

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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

TOM BARRON LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 30TH JUNE 2011

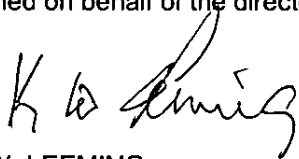
In so far as the directors are aware

- there is no relevant audit information of which the group's auditor are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information

AUDITORS

Whitehead & Aldrich are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'K W Leeming', written over a horizontal line.

K W LEEMING
Chairman

Approved by the directors on 29th February 2012

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOM BARRON LIMITED

YEAR ENDED 30TH JUNE 2011

We have audited the group and parent company financial statements ("the financial statements") of Tom Barron Limited for the year ended 30th June 2011. 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 shareholders, 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 shareholders those matters we are required to state in an auditor's 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 shareholders 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 set out on pages 3 to 4, 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 group's and parent company's affairs as at 30th June 2011 and of the group's 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 MATTERS 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.


**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TOM BARRON LIMITED** (continued)

YEAR ENDED 30TH JUNE 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



D M GREENWOOD
Senior Statutory Auditor

For and on behalf of
WHITEHEAD & ALDRICH
Chartered Accountants
and Statutory Auditor
Preston

29th February 2012

TOM BARRON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	12,535,945	11,967,957
Other operating income	3	79,975	122,555
		12,615,920	12,090,512
Cost of sales		(7,266,678)	(6,439,745)
Staff costs	4	(2,465,162)	(2,412,160)
Depreciation written off fixed assets	5	(407,540)	(363,834)
Other operating charges		(2,165,164)	(2,226,590)
OPERATING PROFIT	5	311,376	648,183
Interest receivable		18	—
Interest payable and similar charges	7	(144,877)	(156,199)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		166,517	491,984
Tax on profit on ordinary activities	8	—	—
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	9	166,517	491,984

CONTINUING OPERATIONS

All of the activities of the group are classed as continuing

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 11 to 23 form part of these financial statements

TOM BARRON LIMITED
GROUP BALANCE SHEET
30TH JUNE 2011

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		105,135		147,054
Tangible assets	11		2,635,536		2,803,115
Investments	12		10		10
			<u>2,740,681</u>		<u>2,950,179</u>
CURRENT ASSETS					
Stocks	13	2,732,382		2,645,892	
Debtors	14	2,064,951		1,794,169	
Cash at bank and in hand		142,307		186,810	
		<u>4,939,640</u>		<u>4,626,871</u>	
CREDITORS amounts falling due within one year	15	3,110,489		2,986,464	
NET CURRENT ASSETS			<u>1,829,151</u>		<u>1,640,407</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,569,832</u>		<u>4,590,586</u>
CREDITORS amounts falling due after more than one year	16		3,682,850		3,870,121
NET ASSETS			<u>886,982</u>		<u>720,465</u>
CAPITAL AND RESERVES					
Called-up equity share capital	21		20,000		20,000
Profit and loss account	22		866,982		700,465
SHAREHOLDERS' FUNDS	23		<u>886,982</u>		<u>720,465</u>

These financial statements were approved by the directors and authorised for issue on 29th February 2012, and are signed on their behalf by


N. W. LEEMING
Director

TOM BARRON LIMITED

BALANCE SHEET

30TH JUNE 2011

	Note	2011		2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,555,543		1,631,013
Investments	12		413,449		178,347
			<u>1,968,992</u>		<u>1,809,360</u>
CURRENT ASSETS					
Stocks	13	508,773		689,176	
Debtors	14	2,106,277		1,858,139	
Cash at bank and in hand		<u>719,535</u>		<u>1,081,986</u>	
		3,334,585		3,629,301	
CREDITORS amounts falling due within one year	15	<u>1,257,472</u>		<u>1,471,065</u>	
NET CURRENT ASSETS			<u>2,077,113</u>		<u>2,158,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,046,105</u>		<u>3,967,596</u>
CREDITORS: amounts falling due after more than one year	16		<u>3,157,044</u>		<u>3,243,149</u>
NET ASSETS			<u>889,061</u>		<u>724,447</u>
CAPITAL AND RESERVES					
Called-up equity share capital	21		20,000		20,000
Profit and loss account	22		<u>869,061</u>		<u>704,447</u>
SHAREHOLDERS' FUNDS			<u>889,061</u>		<u>724,447</u>

These financial statements were approved by the directors and authorised for issue on 29th February 2012, and are signed on their behalf by



N.W. LEEMING
Director

Company Registration Number 563365

TOM BARRON LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 30TH JUNE 2011

	Note	2011 £	2010 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	549,217	746,419
Returns on investments and servicing of finance	24	(144,859)	(156,199)
Capital expenditure and financial investment	24	(198,042)	(466,153)
Cash inflow before financing		<u>206,316</u>	<u>124,067</u>
Financing	24	(250,819)	56,280
(Decrease)/increase in cash	24	<u>(44,503)</u>	<u>180,347</u>

The notes on pages 11 to 23 form part of these financial statements

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents amounts receivable for goods and services provided during the year, exclusive of value added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill and concessions	- 10% on cost
Milk quotas	- 20% on cost

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold buildings	- 2% on cost
Short leasehold buildings	- 2% on cost
Improvements to short leasehold buildings	- 10% on cost
Plant and machinery - first year	- 10% on cost
Plant and machinery - following six years	- 15% on cost
Computer equipment	- 20% on cost
Motor vehicles	- 15% - 25% on written down value

No depreciation is provided on freehold land.

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

1. ACCOUNTING POLICIES (continued)

Stocks

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

Livestock

The dairy herd and poultry flocks are valued so as to reflect the costs of rearing them. The costs of rearing include direct costs, production overheads and other overheads attributable to rearing the livestock to their current age and condition.

The cost of rearing poultry laying flocks to point-of-lay is written off over the expected period that the flocks will be in lay.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined benefit scheme in respect of certain employees. Contributions to the scheme are charged to profit and loss account as they become payable. These contributions are allocated to a Sun Life Retirement Benefits Policy. The schedule of contributions is recertified annually by the actuary as adequate to meet the Minimum Funding Requirement and consequently no material surplus or deficit exists in respect of the scheme.

The company also operates a money purchase pension scheme in respect of four directors of the company.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	12,215,026	11,575,144
Overseas	320,919	392,813
	<u>12,535,945</u>	<u>11,967,957</u>

3 OTHER OPERATING INCOME

	2011 £	2010 £
Miscellaneous income	<u>79,975</u>	<u>122,555</u>

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011 No	2010 No
Number of production staff	95	81
Number of administrative staff	24	23
	<u>119</u>	<u>104</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	2,272,803	2,201,468
Social security costs	189,027	199,036
Other pension costs	3,332	11,656
	<u>2,465,162</u>	<u>2,412,160</u>

5 OPERATING PROFIT

Operating profit is stated after charging

	2011 £	2010 £
Amortisation of intangible assets	41,919	43,247
Depreciation of owned fixed assets	246,775	206,843
Depreciation of assets held under hire purchase agreements	118,846	113,744
Auditor's remuneration		
- as auditor	22,500	21,400
Operating lease costs		
Buildings	128,870	137,181
Equipment	173,226	164,578

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Remuneration receivable	<u>133,510</u>	<u>140,107</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2011 No	2010 No
Money purchase schemes	<u>4</u>	<u>4</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	6,047	8,425
Loan interest	103,416	105,139
Hire purchase charges	30,924	37,438
Other interest	4,490	5,197
	<u>144,877</u>	<u>156,199</u>

8. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2010 - 21%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>166,517</u>	<u>491,984</u>
Profit on ordinary activities by rate of tax	33,303	103,318
Expenses not deductible for tax purposes	11,913	12,750
Capital allowances for period in excess of depreciation	3,428	(17,469)
Utilisation of tax losses	(50,263)	(96,779)
Unrelieved tax losses	2,047	-
Tax chargeable at lower rates	(19)	-
Adjustments for herd stock	(429)	(1,820)
Rounding on tax charge	20	-
Total current tax	<u>-</u>	<u>-</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit after taxation dealt with in the financial statements of the parent company was £164,614 (2010 - £495,966)

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

10. INTANGIBLE FIXED ASSETS

Group	Goodwill and concessions £	Milk quotas £	Total £
COST			
At 1st July 2010 and 30th June 2011	<u>590,542</u>	<u>95,430</u>	<u>685,972</u>
AMORTISATION			
At 1st July 2010	459,095	79,823	538,918
Charge for the year	<u>29,167</u>	<u>12,752</u>	<u>41,919</u>
At 30th June 2011	<u>488,262</u>	<u>92,575</u>	<u>580,837</u>
NET BOOK VALUE			
At 30th June 2011	<u>102,280</u>	<u>2,855</u>	<u>105,135</u>
At 30th June 2010	<u>131,447</u>	<u>15,607</u>	<u>147,054</u>

11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Short leasehold buildings £	Improvements to short leasehold buildings £	Plant and machinery £	Motor vehicles £	Total £
COST						
At 1 July 2010	185,332	1,638,273	94,979	4,570,621	817,466	7,306,671
Additions	–	30,000	–	125,180	74,567	229,747
Disposals	–	–	–	–	(72,150)	(72,150)
At 30 June 2011	<u>185,332</u>	<u>1,668,273</u>	<u>94,979</u>	<u>4,695,801</u>	<u>819,883</u>	<u>7,464,268</u>
DEPRECIATION						
At 1 July 2010	71,332	522,598	30,902	3,427,423	451,301	4,503,556
Charge for the year	3,187	32,768	9,500	243,452	76,714	365,621
On disposals	–	–	–	–	(40,445)	(40,445)
At 30 June 2011	<u>74,519</u>	<u>555,366</u>	<u>40,402</u>	<u>3,670,875</u>	<u>487,570</u>	<u>4,828,732</u>
NET BOOK VALUE						
At 30 June 2011	<u>110,813</u>	<u>1,112,907</u>	<u>54,577</u>	<u>1,024,926</u>	<u>332,313</u>	<u>2,635,536</u>
At 30 June 2010	<u>114,000</u>	<u>1,115,675</u>	<u>64,077</u>	<u>1,143,198</u>	<u>366,165</u>	<u>2,803,115</u>

Freehold land and buildings include £25,984 (2010 - £25,984) in respect of land which has not been depreciated

Hire purchase agreements

Included within the net book value of £2,635,536 is £556,311 (2010 - £827,904) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £118,846 (2010 - £113,744)

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

11. TANGIBLE FIXED ASSETS (continued)

Company	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Motor vehicles £	Total £
COST					
At 1 July 2010	185,332	1,369,418	2,889,493	299,461	4,743,704
Additions	—	30,000	39,336	14,499	83,835
Disposals	—	—	—	(22,350)	(22,350)
At 30 June 2011	185,332	1,399,418	2,928,829	291,610	4,805,189
DEPRECIATION					
At 1 July 2010	71,332	469,229	2,323,457	248,673	3,112,691
Charge for the year	3,187	27,390	113,981	14,360	158,918
On disposals	—	—	—	(21,963)	(21,963)
At 30 June 2011	74,519	496,619	2,437,438	241,070	3,249,646
NET BOOK VALUE					
At 30 June 2011	110,813	902,799	491,391	50,540	1,555,543
At 30 June 2010	114,000	900,189	566,036	50,788	1,631,013

Hire purchase agreements

Included within the net book value of £1,555,543 is £175,565 (2010 - £383,550) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £32,709 (2010 - £56,952)

12. INVESTMENTS

Group	Unlisted investments £
Cost	
Balance brought forward	10
Balance carried forward	10
Net book value	
Balance carried forward	10
Balance brought forward	10

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

12 INVESTMENTS (continued)

Company	Subsidiary undertakings £
Cost	
Balance brought forward	481,345
Balance carried forward	481,345
Amounts provided	
Balance brought forward	302,998
Written off for the year	(235,102)
Balance carried forward	67,896
Net book value	
Balance carried forward	413,449
Balance brought forward	178,347

The subsidiary undertakings as at 30th June 2010 were as follows -

Subsidiary undertakings	Holding	Proportion	Nature of business
Tom Barron Farms Limited	Ordinary shares	100%	Dairy farming
Pennine Organic's Limited	Ordinary shares	75%	Production of organic fertilisers
Fayre Game Limited	Ordinary shares	100%	Quail, game and speciality poultry
Clifton Dairies Limited	Ordinary shares	100%	Milk and dairy produce supplies
Tom Barron Independent Hatcheries Limited	Ordinary shares	100%	Production of laying eggs
Hawkswoop Limited	Ordinary shares	100%	Dormant

13 STOCKS

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Raw materials and consumables	451,372	371,407	76,263	91,963
Livestock and produce	2,281,010	2,274,485	432,510	597,213
	2,732,382	2,645,892	508,773	689,176

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

14. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,979,325	1,672,692	573,033	233,389
Amounts owed by group undertakings	—	—	1,467,544	1,531,912
Other debtors	58,433	82,450	58,433	82,450
Prepayments and accrued income	27,193	39,027	7,267	10,388
	<u>2,064,951</u>	<u>1,794,169</u>	<u>2,106,277</u>	<u>1,858,139</u>

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Amounts owed by group undertakings	—	—	439,154	805,910

The amounts owed to the company by group undertakings are stated after a provision for the losses of those undertakings in the sum of £1,802,276 (2010 - £1,741,000)

15. CREDITORS amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Invoice discounting advances	399,813	150,465	—	—
Bank loans	66,343	70,117	66,343	70,117
Trade creditors	1,744,761	1,811,328	632,385	819,115
Amounts owed to group undertakings	—	—	100	100
Hire purchase agreements	179,588	239,362	58,454	114,031
Directors' current accounts	20,421	45,245	20,421	45,245
Other taxes and social security	59,313	58,564	14,883	15,987
Other creditors	474,853	452,657	364,991	343,962
Accruals and deferred income	165,397	158,726	99,895	62,508
	<u>3,110,489</u>	<u>2,986,464</u>	<u>1,257,472</u>	<u>1,471,065</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

15 CREDITORS amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	66,343	70,117	66,343	70,117
Hire purchase agreements	179,588	239,362	58,454	114,031
Invoice discounting advances	399,813	150,465	—	—
	<u>645,744</u>	<u>459,944</u>	<u>124,797</u>	<u>184,148</u>

16. CREDITORS amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	106,567	172,812	106,567	172,812
Hire purchase agreements	151,311	274,598	45,505	67,626
Other creditors	110,000	110,000	—	—
Loans - Tom Barron (1978) Pension Scheme	1,348,128	1,348,128	1,038,128	1,038,128
Loan from related party	1,966,844	1,964,583	1,966,844	1,964,583
	<u>3,682,850</u>	<u>3,870,121</u>	<u>3,157,044</u>	<u>3,243,149</u>

The following liabilities disclosed under creditors falling due after more than one year are secured

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	106,567	172,812	106,567	172,812
Hire purchase agreements	151,311	274,598	45,505	67,626
Loans - Tom Barron (1978) Pension Scheme	1,348,128	1,348,128	1,038,128	1,038,128
	<u>1,606,006</u>	<u>1,795,538</u>	<u>1,190,200</u>	<u>1,278,566</u>

The bank loans are secured by a debenture dated 15th January 2002 and legal mortgages over 1 and 2, Swillbrook Cottages, Rosemary Lane, Bartle

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Amounts payable within 1 year	179,588	239,362	58,454	114,031
Amounts payable between 2 to 5 years	151,311	274,598	45,505	67,626
	<u>330,899</u>	<u>513,960</u>	<u>103,959</u>	<u>181,657</u>

18 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2011 the group had annual commitments under non-cancellable operating leases as set out below

Group	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	119,615	68,107	89,640	66,111
Within 2 to 5 years	22,648	32,800	62,023	29,692
	<u>142,263</u>	<u>100,907</u>	<u>151,663</u>	<u>95,803</u>

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as set out below

Company	2011		2010	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	9,620	-	9,620	-
Within 2 to 5 years	-	3,108	-	-
	<u>9,620</u>	<u>3,108</u>	<u>9,620</u>	<u>-</u>

19 CONTINGENCIES

The company has entered into a composite cross guarantee arrangement in respect of bank borrowings of group undertakings and Tom Barron Estates Limited. At 30th June 2011 such borrowings amounted to £355,379 (2010 - £873,253)

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

20. RELATED PARTY TRANSACTIONS

The following companies are related parties by virtue of the fact that N W Leeming, M B Tomlinson and F B Leeming were directors and shareholders during the year. Transactions during the year and balances at 30th June 2011 are set out below

	GROUP £	COMPANY £
Pennine Organic's Limited		
Miscellaneous income - management charge	-	1,000
Debtors - amounts owed to group undertakings	-	390,310
Bartle Hall Farms Limited		
Trade creditors - due within one year	166,931	166,931
Tom Barron Estates Limited		
Operating charges - rent	26,240	9,620
Operating charges - loan interest payable	50,472	50,472
Other creditors - due within one year	405,254	345,391
Loan from related party - due after one year	1,966,844	1,966,844

Tom Barron Estates Limited has entered into a mortgage debenture with Tom Barron (1978) Pension Scheme to secure the monies advanced by the Pension Scheme to the company

Tom Barron Estates Limited has also entered into a debenture with the Royal Bank of Scotland plc to secure the liabilities of Tom Barron Limited and its subsidiary undertakings

Tom Barron (1978) Pension Scheme

The members of the scheme are F B Leeming, K W Leeming, N W Leeming, P N Leeming and M B Tomlinson

Transactions with the pension scheme during the year and balances at 30th June 2011 were

	GROUP £	COMPANY £
Other operating income - management charge	15,500	15,500
Operating charges - rent	123,628	9,000
Operating charges - loan interest payable	47,184	36,334
Other creditors	15,698	15,698
Loan - due after one year	1,348,128	1,038,128

21. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid

	2011		2010	
	No	£	No	£
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

22 RESERVES

Group	Profit and loss account £
Balance brought forward	700,465
Profit for the financial year after taxation	166,517
Balance carried forward	<u>866,982</u>
Company	Profit and loss account £
Balance brought forward	704,447
Profit for the financial year after taxation	164,614
Balance carried forward	<u>869,061</u>

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year after taxation	166,517	491,984
Opening shareholders' funds	<u>720,465</u>	<u>228,481</u>
Closing shareholders' funds	<u>886,982</u>	<u>720,465</u>

24 NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	311,376	648,183
Amortisation	41,919	43,247
Depreciation	365,621	320,587
Increase in stocks	(86,490)	(157,330)
(Increase)/decrease in debtors	(270,782)	241,100
Increase/(decrease) in creditors	187,573	(349,368)
Net cash inflow from operating activities	<u>549,217</u>	<u>746,419</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £	2010 £
Interest received	18	—
Interest paid	(113,953)	(118,761)
Interest element of hire purchase	<u>(30,924)</u>	<u>(37,438)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(144,859)</u>	<u>(156,199)</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2011

24 NOTES TO THE CASH FLOW STATEMENT (continued)

CAPITAL EXPENDITURE

	2011 £	2010 £
Payments to acquire tangible fixed assets	(229,747)	(548,503)
Receipts from sale of fixed assets	31,705	82,350
Net cash outflow from capital expenditure	<u>(198,042)</u>	<u>(466,153)</u>

FINANCING

	2011 £	2010 £
Repayment of bank loans	(70,019)	(67,752)
Capital element of hire purchase	(183,061)	121,770
Net inflow from other long-term creditors	2,261	2,262
Net cash (outflow)/inflow from financing	<u>(250,819)</u>	<u>56,280</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
(Decrease)/increase in cash in the period	(44,503)	180,347
Net cash outflow from bank loans	70,019	67,752
Cash outflow in respect of hire purchase	183,061	(121,770)
Net cash (inflow) from other long-term creditors	<u>(2,261)</u>	<u>(2,262)</u>
Change in net debt	206,316	124,067
Net debt at 1 July 2010	<u>(3,992,790)</u>	<u>(4,116,857)</u>
Net debt at 30 June 2011	<u>(3,786,474)</u>	<u>(3,992,790)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2010 £	Cash flows £	At 30 June 2011 £
Net cash			
Cash in hand and at bank	186,810	(44,503)	142,307
Debt			
Debt due within 1 year	(70,117)	3,774	(66,343)
Debt due after 1 year	(3,595,523)	63,984	(3,531,539)
Hire purchase agreements	(513,960)	183,061	(330,899)
	<u>(4,179,600)</u>	<u>250,819</u>	<u>(3,928,781)</u>
Net debt	<u>(3,992,790)</u>	<u>206,316</u>	<u>(3,786,474)</u>