

**REGISTERED NUMBER - 563365
(England and Wales)**

**TOM BARRON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2012**



TOM BARRON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2012

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TOM BARRON LIMITED
OFFICERS AND ADVISORS

Directors

Keith William Leeming
Neil William Leeming
Martin Barron Tomlinson
Frank Barron Leeming
David Harrison
Michael John Leeming
Richard Neil William Leeming

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 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30th June 2012

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 sole distribution rights for ISA product in the UK and Eire and has recently signed an exclusive agreement with Novogen to distribute Novobrown birds in the UK and Eire. This provides 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 dependent upon the continued supply of parent stock from Novogen and on the perception in the market place of Novogen products.

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 loss for the year amounted to £201,633. The directors have not recommended a dividend.

TOM BARRON LIMITED**DIRECTORS' REPORT** (continued)**YEAR ENDED 30TH JUNE 2012****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 2012	At 1 July 2011
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	-	-

Michael John Leeming was appointed as a director on 1st July 2012

Richard Neil William Leeming was appointed as a director on 1st July 2012

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

TOM BARRON LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 30TH JUNE 2012

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.

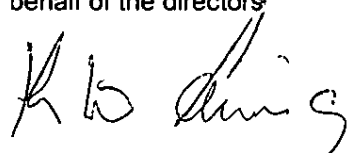
In so far as the directors are aware

- 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:



K W LEEMING
Director

Approved by the directors on 13th February 2013

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

YEAR ENDED 30TH JUNE 2012

We have audited the group and parent company financial statements ("the financial statements") of Tom Barron Limited for the year ended 30th June 2012. 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 to them 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 2012 and of the group's loss 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.

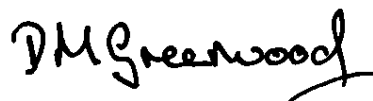
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TOM BARRON LIMITED** (continued)

YEAR ENDED 30TH JUNE 2012

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

13th February 2013

TOM BARRON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 2012

	Note	2012 £	2011 £
GROUP TURNOVER	2	12,413,822	12,535,945
Other operating income	3	<u>92,553</u>	<u>79,975</u>
		12,506,375	12,615,920
Cost of sales		<u>(7,456,283)</u>	<u>(7,266,678)</u>
Staff costs	4	<u>(2,464,421)</u>	<u>(2,465,162)</u>
Depreciation written off fixed assets	5	<u>(368,877)</u>	<u>(407,540)</u>
Other operating charges		<u>(2,272,243)</u>	<u>(2,165,164)</u>
OPERATING (LOSS)/PROFIT	5	(55,449)	311,376
Interest receivable		—	18
Interest payable and similar charges	7	<u>(146,184)</u>	<u>(144,877)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(201,633)	166,517
Tax on (loss)/profit on ordinary activities	8	<u>—</u>	<u>—</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	9	<u>(201,633)</u>	<u>166,517</u>

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

TOM BARRON LIMITED
GROUP BALANCE SHEET
30TH JUNE 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		35,707		105,135
Tangible assets	11		2,470,035		2,635,536
Investments	12		10		10
			<u>2,505,752</u>		<u>2,740,681</u>
CURRENT ASSETS					
Stocks	13	3,097,329		2,732,382	
Debtors	14	2,011,836		2,064,951	
Cash at bank and in hand		240,690		142,307	
		<u>5,349,855</u>		<u>4,939,640</u>	
CREDITORS , amounts falling due within one year	15	3,204,420		3,110,489	
NET CURRENT ASSETS			<u>2,145,435</u>		<u>1,829,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,651,187</u>		<u>4,569,832</u>
CREDITORS : amounts falling due after more than one year	16		3,965,838		3,682,850
NET ASSETS			<u>685,349</u>		<u>886,982</u>
CAPITAL AND RESERVES					
Called-up equity share capital	21		20,000		20,000
Profit and loss account	22		665,349		866,982
SHAREHOLDERS' FUNDS	23		<u>685,349</u>		<u>886,982</u>

These financial statements were approved by the directors and authorised for issue on 13th February 2013, and are signed on their behalf by


N. W. LEEMING
 Director

TOM BARRON LIMITED

BALANCE SHEET

30TH JUNE 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,541,060		1,555,543
Investments	12		431,252		413,449
			<u>1,972,312</u>		<u>1,968,992</u>
CURRENT ASSETS					
Stocks	13	736,383		508,773	
Debtors	14	2,065,259		2,106,277	
Cash at bank and in hand		696,381		719,535	
		<u>3,498,023</u>		<u>3,334,585</u>	
CREDITORS , amounts falling due within one year	15	1,184,586		1,257,472	
NET CURRENT ASSETS			<u>2,313,437</u>		<u>2,077,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,285,749</u>		<u>4,046,105</u>
CREDITORS : amounts falling due after more than one year	16		3,598,321		3,157,044
NET ASSETS			<u>687,428</u>		<u>889,061</u>
CAPITAL AND RESERVES					
Called-up equity share capital	21		20,000		20,000
Profit and loss account	22		667,428		869,061
SHAREHOLDERS' FUNDS			<u>687,428</u>		<u>889,061</u>

These financial statements were approved by the directors and authorised for issue on 13th February 2013, 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 2012

	Note	2012 £	2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	146,379	549,217
Returns on investments and servicing of finance	24	(146,184)	(144,859)
Capital expenditure and financial investment	24	(133,948)	(198,042)
Cash (outflow)/inflow before financing		(133,753)	206,316
Financing	24	232,136	(250,819)
Increase/(decrease) in cash	24	<u>98,383</u>	<u>(44,503)</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 2012

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 2012

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 2012

2 TURNOVER

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

An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	11,957,248	12,215,026
Overseas	456,574	320,919
	<u>12,413,822</u>	<u>12,535,945</u>

3 OTHER OPERATING INCOME

	2012 £	2011 £
Miscellaneous income	<u>92,553</u>	<u>79,975</u>

4. PARTICULARS OF EMPLOYEES

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

	2012 No	2011 No
Number of production staff	95	95
Number of administrative staff	24	24
	<u>119</u>	<u>119</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	2,267,158	2,272,803
Social security costs	191,386	189,027
Other pension costs	5,877	3,332
	<u>2,464,421</u>	<u>2,465,162</u>

5. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2012 £	2011 £
Amortisation of intangible assets	9,428	41,919
Depreciation of owned fixed assets	251,131	246,775
Depreciation of assets held under hire purchase agreements	108,318	118,846
Auditor's remuneration		
- audit of the financial statements	22,500	22,500
Operating lease costs		
Buildings	137,220	128,870
Equipment	195,941	173,226

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2 0 1 2 £	2 0 1 1 £
Remuneration receivable	<u>133,825</u>	<u>133,510</u>

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

	2 0 1 2 No	2 0 1 1 No
Money purchase schemes	<u>4</u>	<u>4</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2 0 1 2 £	2 0 1 1 £
Bank interest	11,975	6,047
Loan interest	111,077	103,416
Hire purchase charges	17,292	30,924
Other interest	5,840	4,490
	<u>146,184</u>	<u>144,877</u>

8 TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 20%)

	2 0 1 2 £	2 0 1 1 £
(Loss)/profit on ordinary activities before taxation	<u>(201,633)</u>	<u>166,517</u>
(Loss)/profit on ordinary activities by rate of tax	(40,327)	33,303
Expenses not deductible for tax purposes	17,838	11,913
Capital allowances for period in excess of depreciation	10,460	3,428
Utilisation of tax losses	(27,234)	(50,263)
Unrelieved tax losses	40,379	2,047
Tax chargeable at lower rates	-	(19)
Adjustments for herd stock	(1,112)	(429)
Rounding on tax charge	1	20
Dividends received	(5)	-
Total current tax	<u>-</u>	<u>-</u>

9 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss after taxation dealt with in the financial statements of the parent company was £(201,633) (2011 - £164,614)

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

10 INTANGIBLE FIXED ASSETS

Group	Goodwill and concessions £	Milk quotas £	Total £
COST			
At 1st July 2011	590,542	95,430	685,972
Revision	(60,000)	–	(60,000)
At 30th June 2012	<u>530,542</u>	<u>95,430</u>	<u>625,972</u>
AMORTISATION			
At 1st July 2011	488,262	92,575	580,837
Charge for the year	7,628	1,800	9,428
At 30th June 2012	<u>495,890</u>	<u>94,375</u>	<u>590,265</u>
NET BOOK VALUE			
At 30th June 2012	<u>34,652</u>	<u>1,055</u>	<u>35,707</u>
At 30th June 2011	<u>102,280</u>	<u>2,855</u>	<u>105,135</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 2011	185,332	1,668,273	94,979	4,695,801	819,883	7,464,268
Additions	–	35,500	–	140,923	17,525	193,948
Disposals	–	–	–	(8,723)	(2,750)	(11,473)
At 30 June 2012	<u>185,332</u>	<u>1,703,773</u>	<u>94,979</u>	<u>4,828,001</u>	<u>834,658</u>	<u>7,646,743</u>
DEPRECIATION						
At 1 July 2011	74,519	555,366	40,402	3,670,875	487,570	4,828,732
Charge for the year	3,187	33,368	9,500	247,457	65,937	359,449
On disposals	–	–	–	(8,723)	(2,750)	(11,473)
At 30 June 2012	<u>77,706</u>	<u>588,734</u>	<u>49,902</u>	<u>3,909,609</u>	<u>550,757</u>	<u>5,176,708</u>
NET BOOK VALUE						
At 30 June 2012	<u>107,626</u>	<u>1,115,039</u>	<u>45,077</u>	<u>918,392</u>	<u>283,901</u>	<u>2,470,035</u>
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>

Freehold land and buildings include £25,984 (2011 - £25,984) in respect of land which has not been depreciated

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

11 TANGIBLE FIXED ASSETS (continued)

Hire purchase agreements

Included within the net book value of £2,470,035 is £448,234 (2011 - £556,311) 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 £108,318 (2011 - £118,846)

Company	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Motor vehicles £	Total £
COST					
At 1 July 2011	185,332	1,399,418	2,928,829	291,610	4,805,189
Additions	—	35,500	98,144	10,000	143,644
Disposals	—	—	(7,965)	—	(7,965)
At 30 June 2012	185,332	1,434,918	3,019,008	301,610	4,940,868
DEPRECIATION					
At 1 July 2011	74,519	496,619	2,437,438	241,070	3,249,646
Charge for the year	3,187	27,990	114,312	12,638	158,127
On disposals	—	—	(7,965)	—	(7,965)
At 30 June 2012	77,706	524,609	2,543,785	253,708	3,399,808
NET BOOK VALUE					
At 30 June 2012	107,626	910,309	475,223	47,902	1,541,060
At 30 June 2011	110,813	902,799	491,391	50,540	1,555,543

Hire purchase agreements

Included within the net book value of £1,541,060 is £142,002 (2011 - £175,565) 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 £33,804 (2011 - £32,709)

12 INVESTMENTS

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

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

12. INVESTMENTS (continued)

Company	Subsidiary undertakings £
Cost	
Balance brought forward	481,345
Balance carried forward	481,345
Amounts provided	
Balance brought forward	67,896
Written off for the year	(17,803)
Balance carried forward	50,093
Net book value	
Balance carried forward	431,252
Balance brought forward	413,449

The subsidiary undertakings as at 30th June 2012 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	
	2012 £	2011 £	2012 £	2011 £
Raw materials and consumables	473,676	451,372	92,378	76,263
Livestock and produce	2,623,653	2,281,010	644,005	432,510
	3,097,329	2,732,382	736,383	508,773

14 DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	1,890,152	1,979,325	261,351	573,033
Amounts owed by group undertakings	-	-	1,721,907	1,467,544
Other debtors	59,481	58,433	59,438	58,433
Prepayments and accrued income	62,203	27,193	22,563	7,267
	2,011,836	2,064,951	2,065,259	2,106,277

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

14. DEBTORS (continued)

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts owed by group undertakings	—	—	782,748	439,154

The amounts owed to the company by group undertakings are stated after a provision for the losses of those undertakings in the sum of £1,816,788 (2011 - £1,802,276)

15. CREDITORS. amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Invoice discounting advances	412,473	399,813	—	—
Loan from related party	27,109	—	27,109	—
Bank loans	63,849	66,343	63,849	66,343
Trade creditors	1,748,441	1,744,761	450,149	632,385
Amounts owed to group undertakings	—	—	100	100
Hire purchase agreements	131,230	179,588	48,942	58,454
Directors' current accounts	10,717	20,421	10,717	20,421
Other taxes and social security	53,320	59,313	13,952	14,883
Other creditors	559,429	474,853	465,648	364,991
Accruals and deferred income	197,852	165,397	104,120	99,895
	<u>3,204,420</u>	<u>3,110,489</u>	<u>1,184,586</u>	<u>1,257,472</u>

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	63,849	66,343	63,849	66,343
Hire purchase agreements	131,231	179,588	48,942	58,454
Invoice discounting advances	412,473	399,813	—	—
	<u>607,553</u>	<u>645,744</u>	<u>112,791</u>	<u>124,797</u>

16. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	42,664	106,567	42,664	106,567
Hire purchase agreements	75,506	151,311	51,989	45,505
Other creditors	34,000	110,000	—	—
Loans - Tom Barron (1978) Pension Scheme	1,348,128	1,348,128	1,038,128	1,038,128
Loan from related party	2,465,540	1,966,844	2,465,540	1,966,844
	<u>3,965,838</u>	<u>3,682,850</u>	<u>3,598,321</u>	<u>3,157,044</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

16. CREDITORS: amounts falling due after more than one year (continued)

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

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans	42,664	106,567	42,664	106,567
Hire purchase agreements	75,507	151,311	51,989	45,505
Loans - Tom Barron (1978) Pension Scheme	1,348,128	1,348,128	1,038,128	1,038,128
	<u>1,466,299</u>	<u>1,606,006</u>	<u>1,132,781</u>	<u>1,190,200</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

17 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts payable within 1 year	131,231	179,588	48,942	58,454
Amounts payable between 2 to 5 years	75,507	151,311	51,989	45,505
	<u>206,738</u>	<u>330,899</u>	<u>100,931</u>	<u>103,959</u>

18 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire				
Within 1 year	105,040	123,016	119,615	68,107
Within 2 to 5 years	52,068	3,108	22,648	32,800
	<u>157,108</u>	<u>126,124</u>	<u>142,263</u>	<u>100,907</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

18. COMMITMENTS UNDER OPERATING LEASES (continued)

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as set out below

Company	2 0 1 2		2 0 1 1	
	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	-	3,108
	<u>9,620</u>	<u>3,108</u>	<u>9,620</u>	<u>3,108</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 2012 such borrowings amounted to £314,673 (2011 - £355,379)

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 2012 are set out below

	GROUP £	COMPANY £
Pennine Organic's Limited		
Miscellaneous income - management charge	-	1,000
Debtors - amounts owed to group undertakings	-	405,944
Bartle Hall Farms Limited		
Trade creditors - due within one year	70,631	70,631
Tom Barron Estates Limited		
Operating charges - rent	26,240	9,620
Operating charges - loan interest payable	58,159	58,159
Loan from related party - due within one year	27,109	27,109
Loan from related party - due after one year	2,465,540	2,465,540
Other creditors	330,394	330,394

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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

20 RELATED PARTY TRANSACTIONS (continued)

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 2012 were

	GROUP £	COMPANY £
Other operating income - management charge	16,250	16,250
Operating charges - rent	123,628	9,000
Operating charges - loan interest payable	47,184	36,334
Other creditors	132,262	132,262
Loan - due after one year	1,348,128	1,038,128

21 SHARE CAPITAL

Authorised share capital.

	2012 £	2011 £
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid

	2012		2011	
	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>

22 RESERVES

Group

	Profit and loss account £
Balance brought forward	866,982
Loss for the financial year after taxation	(201,633)
Balance carried forward	<u>665,349</u>

Company

	Profit and loss account £
Balance brought forward	869,061
Loss for the financial year after taxation	(201,633)
Balance carried forward	<u>667,428</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
(Loss)/profit for the financial year after taxation	(201,633)	166,517
Opening shareholders' funds	886,982	720,465
Closing shareholders' funds	<u>685,349</u>	<u>886,982</u>

24. NOTES TO THE CASH FLOW STATEMENT

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

	2012 £	2011 £
Operating (loss)/profit	(55,449)	311,376
Amortisation	9,428	41,919
Depreciation	359,449	365,621
Increase in stocks	(364,947)	(86,490)
Decrease/(increase) in debtors	53,115	(270,782)
Increase in creditors	144,783	187,573
Net cash inflow from operating activities	<u>146,379</u>	<u>549,217</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £	2011 £
Interest received	-	18
Interest paid	(128,892)	(113,953)
Interest element of hire purchase	<u>(17,292)</u>	<u>(30,924)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(146,184)</u>	<u>(144,859)</u>

CAPITAL EXPENDITURE

	2012 £	2011 £
Payments to acquire tangible fixed assets	(193,948)	(229,747)
Revision to cost of intangible asset	60,000	-
Receipts from sale of fixed assets	-	31,705
Net cash outflow from capital expenditure	<u>(133,948)</u>	<u>(198,042)</u>

FINANCING

	2012 £	2011 £
Repayment of bank loans	(66,397)	(70,019)
Capital element of hire purchase	(124,163)	(183,061)
Net inflow from other long-term creditors	422,696	2,261
Net cash inflow/(outflow) from financing	<u>232,136</u>	<u>(250,819)</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2012

24 NOTES TO THE CASH FLOW STATEMENT (continued)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £	2011 £
Increase/(decrease) in cash in the period	98,383	(44,503)
Net cash outflow from bank loans	66,397	70,019
Cash outflow in respect of hire purchase	124,163	183,061
Net cash (inflow) from other long-term creditors	<u>(422,696)</u>	<u>(2,261)</u>
Change in net debt	<u>(133,753)</u>	206,316
Net debt at 1 July 2011	<u>(3,786,474)</u>	(3,992,790)
Net debt at 30 June 2012	<u>(3,920,227)</u>	<u>(3,786,474)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2011 £	Cash flows £	At 30 June 2012 £
Net cash			
Cash in hand and at bank	<u>142,307</u>	<u>98,383</u>	<u>240,690</u>
Debt			
Debt due within 1 year	(66,343)	2,494	(63,849)
Debt due after 1 year	(3,531,539)	(358,793)	(3,890,332)
Hire purchase agreements	<u>(330,899)</u>	<u>124,163</u>	<u>(206,736)</u>
	<u>(3,928,781)</u>	<u>(232,136)</u>	<u>(4,160,917)</u>
Net debt	<u>(3,786,474)</u>	<u>(133,753)</u>	<u>(3,920,227)</u>

TOM BARRON LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2012

	2012		2011	
	£	£	£	£
TURNOVER		12,413,822		12,535,945
Miscellaneous income		<u>92,553</u>		<u>79,975</u>
		12,506,375		12,615,920
OPERATING COSTS				
Cost of sales	(7,456,283)		(7,266,678)	
Depreciation written off fixed assets	(368,877)		(407,540)	
Other operating charges	(2,272,243)		(2,165,164)	
Staff costs	<u>(2,464,421)</u>		<u>(2,465,162)</u>	
		(12,561,824)		(12,304,544)
OPERATING (LOSS)/PROFIT		<u>(55,449)</u>		<u>311,376</u>
Bank interest receivable		<u>-</u>		<u>18</u>
		(55,449)		311,394
Interest payable and similar charges		<u>(146,184)</u>		<u>(144,877)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(201,633)</u>		<u>166,517</u>

TOM BARRON LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2012

	2012 £	2011 £
COST OF SALES		
Incubation fees and rental of breeder sheds	66,800	66,800
Purchases	7,389,483	7,199,878
	<u>7,456,283</u>	<u>7,266,678</u>
STAFF COSTS		
Staff costs - national insurance	191,386	189,027
Staff costs - wages and salaries	2,267,158	2,272,803
Staff pension scheme	5,877	3,332
	<u>2,464,421</u>	<u>2,465,162</u>
OTHER OPERATING CHARGES		
Advertising	18,335	11,908
Audit and accountancy	50,556	59,715
Bad debts	48,380	62,229
Bank charges	22,501	21,364
Cleaning materials and shavings	160,617	141,243
Consultancy fees	18,802	20,876
Heat, light and power	495,662	517,961
Insurances	111,587	84,287
Legal and professional	15,944	6,001
Miscellaneous	83,202	67,587
Motor	538,851	422,565
Printing and stationery	18,445	16,220
Rates and water	72,646	66,122
Rent	137,220	128,870
Repairs and renewals	223,895	309,848
Staff private patients' plan	28,587	30,666
Subscriptions	11,837	8,620
Telephone	26,462	22,714
Travelling	59,573	59,942
Vehicle leasing charges	129,141	106,426
	<u>2,272,243</u>	<u>2,165,164</u>
INTEREST PAYABLE AND SIMILAR CHARGES		
Bank interest	11,975	6,047
Hire purchase charges	17,292	30,924
Loan interest	111,077	103,416
Other interest	5,840	4,490
	<u>146,184</u>	<u>144,877</u>