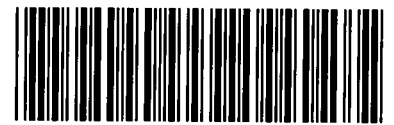


TOM BARRON LIMITED
FINANCIAL STATEMENTS
30TH JUNE 2016

FRIDAY



A65BX2NT

A16

28/04/2017

#344

COMPANIES HOUSE



**Whitehead
& Aldrich**

Chartered Accountants & Registered Auditors

5 Ribblesdale Place | Preston | Lancashire | PR1 8BZ

TOM BARRON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2016

Contents	Pages
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 5
Independent auditor's report to the members	6 to 7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the financial statements	14 to 28
The following pages do not form part of the financial statements	
Consolidated detailed income statement	29
Notes to the consolidated detailed income statement	30

TOM BARRON LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

Auditor

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
STRATEGIC REPORT
YEAR ENDED 30TH JUNE 2016

REVIEW OF THE BUSINESS

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

The Group's poultry division has suffered losses as a result of reduced orders in the year. Actions have been taken since the year end to reverse the position and more fully utilise the hatchery.

The Group's dairy farming operations were profitable throughout the year both in the processing and farming activities and further growth is seen in both these areas.

The decrease in shareholders' funds since the last annual report amounts to £491,954.

FUTURE DEVELOPMENTS

The group is expanding both the dairy and poultry sides of the business and is in a position to benefit from the increased orders being achieved and new opportunities as and when they arise.

KEY PERFORMANCE INDICATORS

The main financial Key Performance Indicators of the company are turnover, gross profit, profit before tax and cash flow from operations.

PRINCIPAL RISKS AND UNCERTAINTIES

The company'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 Novogen 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 Novogen breeds of poultry. It is dependent upon the continued supply of parent stock from Groupe Grimaud companies which supplies Novogen products and on the perception in the market place of Novogen birds.

TOM BARRON LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 30TH JUNE 2016

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.

Disease

The groups farming and poultry businesses are at risk from endemic diseases such as avian influenza and foot and mouth.

Signed on behalf of the directors



N. W. LEEMING
Director

Approved by the directors on 25th April 2017

TOM BARRON LIMITED

DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2016

The directors present their report and the financial statements of the group for the year ended 30th June 2016.

Directors

The directors who served the company during the year were as follows:

Neil William Leeming
Martin Barron Tomlinson
Frank Barron Leeming
David Harrison
Michael John Leeming
Richard Neil William Leeming
Keith William Leeming (Died 5th September 2015)

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006, the group has chosen to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' report:

- o a fair review of the business;
- o future developments; and
- o key performance indicators; and
- o principal risks and uncertainties

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group 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.

TOM BARRON LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 30TH JUNE 2016

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Signed on behalf of the directors



N. W. LEEMING
Director

Approved by the directors on 25th April 2017

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

YEAR ENDED 30TH JUNE 2016

We have audited the financial statements of Tom Barron Limited for the year ended 30th June 2016 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 group's and the parent 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 of the parent company's affairs as at 30th June 2016 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

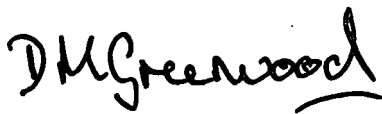
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOM BARRON
LIMITED (continued)**

YEAR ENDED 30TH JUNE 2016

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.



David Greenwood FCA (Senior Statutory Auditor)

For and on behalf of
Whitehead & Aldrich
Chartered Accountants & Statutory Auditor
5 Ribblesdale Place
Preston
Lancashire
PR1 8BZ

25th April 2017

TOM BARRON LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED 30TH JUNE 2016**

	Note	2016 £	2015 £
TURNOVER	4	11,050,608	11,934,015
Other operating income	5	104,438	98,749
		11,155,046	12,032,764
Raw material and consumables		(6,435,699)	(6,990,878)
Staff costs	8	(2,709,042)	(2,489,995)
Depreciation		(280,511)	(280,204)
Other operating expenses		(2,046,390)	(2,109,703)
OPERATING (LOSS)/PROFIT	6	(316,596)	161,984
Interest payable and similar expenses	10	(175,360)	(172,624)
LOSS BEFORE TAXATION		(491,956)	(10,640)
Tax on loss	11	—	—
LOSS FOR THE FINANCIAL YEAR		(491,956)	(10,640)
Revaluation of tangible assets		—	1,018,667
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(491,956)	1,008,027

All the activities of the group are from continuing operations.

The notes on pages 14 to 28 form part of these financial statements.

TOM BARRON LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30TH JUNE 2016

	Note	2016		2015	
		£	£	£	£
FIXED ASSETS					
Intangible assets	12		20		20
Tangible assets	13		3,677,129		3,087,768
Investments	14		38		38
			<u>3,677,187</u>		<u>3,087,826</u>
CURRENT ASSETS					
Stocks	15	2,562,240		2,706,399	
Debtors	16	2,976,389		2,755,669	
Cash at bank and in hand		1,450		206,256	
		<u>5,540,079</u>		<u>5,668,324</u>	
CREDITORS: amounts falling due within one year	18	<u>4,640,355</u>		<u>4,095,854</u>	
NET CURRENT ASSETS			<u>899,724</u>		<u>1,572,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,576,911</u>		<u>4,660,296</u>
CREDITORS: amounts falling due after more than one year	19		<u>3,608,029</u>		<u>3,199,460</u>
NET ASSETS			<u><u>968,882</u></u>		<u><u>1,460,836</u></u>
CAPITAL AND RESERVES					
Called up share capital	22		20,000		20,000
Revaluation reserve	23		1,270,228		1,270,228
Profit and loss account	23		(321,346)		170,608
MEMBERS FUNDS			<u><u>968,882</u></u>		<u><u>1,460,836</u></u>

These financial statements were approved by the board of directors and authorised for issue on 25th April 2017, and are signed on behalf of the board by:


N. W. LEEMING
Director

Company registration number: 563365

The notes on pages 14 to 28 form part of these financial statements.

TOM BARRON LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

30TH JUNE 2016

		2 0 1 6		2 0 1 5	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		2,151,348		2,182,825
Investments	14		105		105
			<u>2,151,453</u>		<u>2,182,930</u>
CURRENT ASSETS					
Stocks	15	242,291		383,569	
Debtors	16	3,386,204		2,270,427	
Cash at bank and in hand		1,000		397,227	
		<u>3,629,495</u>		<u>3,051,223</u>	
CREDITORS: amounts falling due within one year	18	<u>2,074,055</u>		<u>1,034,360</u>	
NET CURRENT ASSETS			<u>1,555,440</u>		<u>2,016,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,706,893</u>		<u>4,199,793</u>
CREDITORS: amounts falling due after more than one year	19		<u>2,738,005</u>		<u>2,834,950</u>
NET ASSETS			<u>968,888</u>		<u>1,364,843</u>
CAPITAL AND RESERVES					
Called up share capital	22		20,000		20,000
Revaluation reserve	23		1,284,979		1,270,228
Profit and loss account	23		(336,091)		74,615
MEMBERS FUNDS			<u>968,888</u>		<u>1,364,843</u>

The loss for the financial year of the parent company was £395,955 (2015: £33,741).

These financial statements were approved by the board of directors and authorised for issue on 25th April 2017, and are signed on behalf of the board by:


N. W. LEEMING
Director

Company registration number: 563365

The notes on pages 14 to 28 form part of these financial statements.

TOM BARRON LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30TH JUNE 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
AT 1ST JULY 2014		20,000	251,561	181,248	452,809
Loss for the year				(10,640)	(10,640)
Other comprehensive income for the year:					
Revaluation of tangible assets	13	—	1,018,667	—	1,018,667
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	1,018,667	(10,640)	1,008,027
AT 30TH JUNE 2015		20,000	1,270,228	170,610	1,460,838
Loss for the year				(491,956)	(491,956)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	—	(491,956)	(491,956)
AT 30TH JUNE 2016		<u>20,000</u>	<u>1,270,228</u>	<u>(321,346)</u>	<u>968,882</u>

The notes on pages 14 to 28 form part of these financial statements.

TOM BARRON LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30TH JUNE 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
AT 1ST JULY 2014		20,000	251,561	108,356	379,917
Loss for the year				(33,741)	(33,741)
Other comprehensive income for the year:					
Revaluation of tangible assets	13	—	1,018,667	—	1,018,667
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	1,018,667	(33,741)	984,926
AT 30TH JUNE 2015		20,000	1,284,979	59,864	1,364,843
Loss for the year				(395,955)	(395,955)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		—	—	(395,955)	(395,955)
AT 30TH JUNE 2016		<u>20,000</u>	<u>1,284,979</u>	<u>(336,091)</u>	<u>968,888</u>

The notes on pages 14 to 28 form part of these financial statements.

TOM BARRON LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30TH JUNE 2016

	Note	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the financial year		(491,956)	(10,640)
<i>Adjustments for:</i>			
Depreciation of tangible assets		280,511	304,000
Amortisation of intangible assets		–	704
Interest payable and similar expenses		175,360	172,624
Gains on disposal of tangible assets		–	(24,500)
Accrued expenses		8,881	40,732
<i>Changes in:</i>			
Stocks		144,159	238,800
Trade and other debtors		(220,720)	(251,310)
Trade and other creditors		226,612	93,736
Cash generated from operations		122,847	564,146
Interest paid		(175,360)	(172,624)
Net cash (used in)/from operating activities		<u>(52,513)</u>	<u>391,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets		(874,872)	(289,289)
Proceeds from sale of tangible assets		5,000	46,750
Net cash used in investing activities		<u>(869,872)</u>	<u>(242,539)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		95,302	(43,119)
Payments of finance lease liabilities		538,703	39,048
Net cash from/(used in) financing activities		<u>634,005</u>	<u>(4,071)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(288,380)	144,912
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		206,256	61,344
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	<u>(82,124)</u>	<u>206,256</u>

The notes on pages 14 to 28 form part of these financial statements.

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Poultry Farm, Catforth, Preston, PR4 0HQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st July 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 29.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Tom Barron Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Revenue recognition

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

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

3. Accounting policies (continued)

Income tax

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

All fixed assets are initially recorded at cost. Freehold buildings have been revalued during the year and are included at valuation.

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

3. Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold buildings	- 2% on cost or valuation
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.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Biological assets and related agricultural produce are valued at fair value less costs to sell. Other stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

TOM BARRON LIMITED**NOTES TO THE FINANCIAL STATEMENTS** (continued)**YEAR ENDED 30TH JUNE 2016****4. Turnover**

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2 0 1 6 £	2 0 1 5 £
United Kingdom	10,817,630	11,480,290
Overseas	<u>232,978</u>	<u>453,725</u>
	<u>11,050,608</u>	<u>11,934,015</u>

5. Other operating income

	2 0 1 6 £	2 0 1 5 £
Miscellaneous income	<u>104,438</u>	<u>98,749</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2 0 1 6 £	2 0 1 5 £
Gains on disposal of tangible assets	–	(24,500)
Impairment of trade debtors	<u>62,137</u>	<u>41,138</u>

7. Auditor's remuneration

	2 0 1 6 £	2 0 1 5 £
Fees payable for the audit of the financial statements	<u>26,900</u>	<u>25,600</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2 0 1 6 No.	2 0 1 5 No.
Production staff	100	93
Administrative staff	<u>23</u>	<u>22</u>
	<u>123</u>	<u>115</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2 0 1 6 £	2 0 1 5 £
Wages and salaries	2,500,280	2,303,262
Social security costs	186,538	175,733
Other pension costs	<u>22,224</u>	<u>11,000</u>
	<u>2,709,042</u>	<u>2,489,995</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	186,978	211,012
Company contributions to defined contribution pension plans	<u>10,000</u>	<u>10,000</u>
	<u>196,978</u>	<u>221,012</u>

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

	2016 No.	2015 No.
Defined contribution plans	<u>123</u>	<u>115</u>

10. Interest payable and similar expenses

	2016 £	2015 £
Interest on debenture loans	126,438	127,923
Interest on banks loans and overdrafts	10,902	11,385
Interest on obligations under finance leases and hire purchase contracts	18,438	23,546
Other interest payable and similar charges	<u>19,582</u>	<u>9,770</u>
	<u>175,360</u>	<u>172,624</u>

11. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Loss on ordinary activities before taxation	<u>(491,956)</u>	<u>(10,640)</u>
Loss on ordinary activities by rate of tax	(98,391)	(9,698)
Adjustment to tax charge in respect of prior periods	11,388	(579)
Effect of expenses not deductible for tax purposes	28,927	19,652
Effect of capital allowances and depreciation	7,868	18,453
Utilisation of tax losses	(42,234)	(27,808)
Unused tax losses	73,206	82
Rounding on tax charge	36	(102)
Prior year adjustments	<u>19,200</u>	<u>-</u>
Tax on loss	<u>-</u>	<u>-</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

12. Intangible assets

Group	Goodwill £
Cost	
At 1 July 2015 and 30 June 2016	<u>530,542</u>
Amortisation	
At 1 July 2015 and 30 June 2016	<u>530,522</u>
Carrying amount	
At 1 July 2015 and 30 June 2016	<u>20</u>

The company has no intangible assets.

13. Tangible assets

Group	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2015	631,000	1,641,914	5,170,627	723,854	8,167,395
Additions	–	5,525	861,847	7,500	874,872
Disposals	–	–	(30,736)	(7,609)	(38,345)
At 30 June 2016	<u>631,000</u>	<u>1,647,439</u>	<u>6,001,738</u>	<u>723,745</u>	<u>9,003,922</u>
Depreciation					
At 1 July 2015	2,200	102,280	4,486,640	488,507	5,079,627
Charge for the year	12,300	9,055	215,068	44,088	280,511
Disposals	–	–	(28,986)	(4,359)	(33,345)
At 30 June 2016	<u>14,500</u>	<u>111,335</u>	<u>4,672,722</u>	<u>528,236</u>	<u>5,326,793</u>
Carrying amount					
At 30 June 2016	<u>616,500</u>	<u>1,536,104</u>	<u>1,329,016</u>	<u>195,509</u>	<u>3,677,129</u>
At 30 June 2015	<u>628,800</u>	<u>1,539,634</u>	<u>683,987</u>	<u>235,347</u>	<u>3,087,768</u>

Freehold land and buildings include £16,000 (2015 - £16,000) in respect of land which has not been depreciated and is stated at cost.

The freehold buildings were valued in March 2015 and March 2016 by Armitstead Barnett, Chartered Surveyors, at open market valuation in the sum of £615,000. In the opinion of the directors these valuations represent a fair valuation at 30th June 2016.

Had the freehold property been carried at cost less depreciation the carrying amount would have been £199,782.

Certain leasehold properties were valued by Armitstead Barnett, Chartered Surveyors in March 2017. In the opinion of the directors £1,300,000 represents a fair valuation at June 2016. Had these properties been carried at cost less depreciation the carrying amount would have been £397,739.

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

13. Tangible assets (continued)

Company	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2015	631,000	1,300,000	3,015,408	146,021	5,092,429
Additions	–	–	67,787	7,500	75,287
Disposals	–	–	(9,346)	–	(9,346)
At 30 June 2016	631,000	1,300,000	3,073,849	153,521	5,158,370
Depreciation					
At 1 July 2015	2,200	–	2,812,275	95,129	2,909,604
Charge for the year	12,300	–	86,055	8,409	106,764
Disposals	–	–	(9,346)	–	(9,346)
At 30 June 2016	14,500	–	2,888,984	103,538	3,007,022
Carrying amount					
At 30 June 2016	616,500	1,300,000	184,865	49,983	2,151,348
At 30 June 2015	628,800	1,300,000	203,133	50,892	2,182,825

Tangible assets held at valuation

Freehold land and buildings include £16,000 (2015 - £21,000) in respect of land which has not been depreciated and is stated at cost.

The company's freehold buildings were valued in March 2015 and March 2016 by Armitstead Barnett, Chartered Surveyors, at open market valuation in the sum of £615,000. In the opinion of the directors these valuations represent a fair valuation at 30th June 2016.

Had the freehold buildings been carried at cost less depreciation the carrying amount would have been £199,782.

The company's leasehold property was valued in March 2017 by Armitstead Barnett, Chartered Surveyors. In the opinion of the directors £1,300,000 represents a fair valuation at 30 June 2016. Had this property been carried out at cost less depreciation the carrying amount would have been £397,739.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £
At 30th June 2016	1,028,026
At 30th June 2015	394,517

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

13. Tangible assets (continued)

Company	Plant and machinery £
At 30th June 2016	<u>154,077</u>
At 30th June 2015	<u>—</u>

14. Investments

Group	Other investments other than loans £
Cost or valuation :	
At 1 July 2015 and 30 June 2016	<u>38</u>
Impairment	
At 1 July 2015 and 30 June 2016	<u>—</u>
Carrying amount	
At 1 July 2015 and 30 June 2016	<u>38</u>
Company	Other investments other than loans £
Cost or valuation :	
At 1 July 2015 and 30 June 2016	<u>481,345</u>
Impairment	
At 1 July 2015 and 30 June 2016	<u>481,240</u>
Carrying amount	
At 1 July 2015 and 30 June 2016	<u>105</u>

The subsidiary undertakings as at 30th June 2016 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

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

15. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Livestock	1,648,173	1,845,062	177,141	306,841
Agricultural produce	630,795	535,112	-	-
Other stocks	283,272	326,225	65,150	76,728
	<u>2,562,240</u>	<u>2,706,399</u>	<u>242,291</u>	<u>383,569</u>

16. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	2,845,220	2,633,512	406,245	422,776
Amounts owed by group undertakings	-	-	2,911,521	1,773,904
Prepayments and accrued income	72,389	58,706	9,658	10,296
Corporation tax repayable	2,161	1,965	2,161	1,965
Directors loan account	-	406	-	406
Other debtors	56,619	61,080	56,619	61,080
	<u>2,976,389</u>	<u>2,755,669</u>	<u>3,386,204</u>	<u>2,270,427</u>

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts owed by group undertakings	-	-	-	1,773,904

The amounts owed to the company by group undertakings are stated after a provision for the losses of those undertakings in the sum of £2,923,639 (2015 - £2,651,827).

17. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	1,450	206,256
Bank overdrafts	(83,574)	-
	<u>(82,124)</u>	<u>206,256</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

18. Creditors: amounts falling due within one year

	Group		Company	
	2 0 1 6	2 0 1 5	2 0 1 6	2 0 1 5
	£	£	£	£
Bank loans and overdrafts	271,212	44,922	862,473	44,922
Trade creditors	2,355,713	2,311,058	434,885	402,122
Amounts owed to group undertakings	–	–	100	100
Accruals and deferred income	195,316	186,435	51,138	46,937
Social security and other taxes	62,044	47,903	12,436	10,092
Obligations under finance leases and hire purchase contracts	180,560	130,999	68,682	55,394
Director loan accounts	232	–	232	–
Invoice discounting advances	755,721	824,729	–	–
Loan from related party	130,857	29,874	30,857	29,874
Other creditors	688,700	519,934	613,252	444,919
	<u>4,640,355</u>	<u>4,095,854</u>	<u>2,074,055</u>	<u>1,034,360</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. The obligations under finance leases and hire purchase contracts are secured on certain plant, machinery and motor vehicles. The invoice discounting advances are secured on trade debtors.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2 0 1 6	2 0 1 5	2 0 1 6	2 0 1 5
	£	£	£	£
Bank loans and overdrafts	322,520	370,168	322,520	370,168
Obligations under finance leases and hire purchase contracts	613,658	124,516	53,634	70,006
Loans - Tom Barron (1978) Pension Scheme	310,000	310,000	–	–
Loan from related party	2,361,851	2,394,776	2,361,851	2,394,776
	<u>3,608,029</u>	<u>3,199,460</u>	<u>2,738,005</u>	<u>2,834,950</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. The obligations under finance leases and hire purchase contracts are secured on certain plant, machinery and motor vehicles.

The loan from the Tom Barron (1978) Pension Scheme is repayable by 30th June 2019.

Bank Loans	2 0 1 6	2 0 1 5
	£	£
Falling due within one to two years	47,640	44,922
Falling due within two to five years	261,993	248,616
Falling due after five years	<u>60,527</u>	<u>121,552</u>
	<u>370,160</u>	<u>415,090</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	180,558	130,999	68,682	55,394
Later than 1 year and not later than 5 years	613,659	124,516	53,634	70,006
	<u>794,217</u>	<u>255,515</u>	<u>122,316</u>	<u>125,400</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £22,224 (2015: £11,000).

22. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

23. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings and accumulated losses.

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Not later than 1 year	47,311	57,879	21,181	11,839
Later than 1 year and not later than 5 years	55,177	264,468	6,421	9,000
	<u>102,488</u>	<u>322,347</u>	<u>27,602</u>	<u>20,839</u>

25. 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 2016 such borrowings amounted to £Nil (2015 - £123,397).

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

26. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2 0 1 6			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Keith William Leeming	(1,440)	1,440	–	–
Neil William Leeming	(150)	10,671	(9,655)	866
Martin Barron Tomlinson	6,577	–	(6,804)	(227)
Frank Barron Leeming	(4,894)	3,170	–	(1,724)
Michael John Leeming	314	–	(49)	265
Richard Neil William Leeming	–	588	–	588
	<u>407</u>	<u>15,869</u>	<u>(16,508)</u>	<u>(232)</u>

	2 0 1 5			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Keith William Leeming	(1,705)	265	–	(1,440)
Neil William Leeming	1,232	14,183	(15,565)	(150)
Martin Barron Tomlinson	5,849	2,258	(1,530)	6,577
Frank Barron Leeming	(2,346)	–	(2,548)	(4,894)
Michael John Leeming	314	–	–	314
Richard Neil William Leeming	520	–	(520)	–
	<u>3,864</u>	<u>16,706</u>	<u>(20,163)</u>	<u>407</u>

27. 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 2016 are set out below:

	COMPANY £	GROUP £
Pennine Organic's Limited		
Debtors – amounts owed to group undertakings	382,966	–
Bartle Hall Farms Limited		
Trade debtors - due within one year	4,269	4,269
Tom Barron Estates Limited		
Operating charges - rent	9,620	26,240
Operating charges - loan interest payable	99,661	99,661
Loan from related party - due within one year	30,857	30,857
Loan from related party - due after one year	2,361,851	2,361,851
Other creditors	481,884	557,332

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 (continued)

YEAR ENDED 30TH JUNE 2016

27. Related party transactions (continued)

Tom Barron (1978) Pension Scheme

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

Transactions with the pension scheme during the year and balances at 30th June 2016 were:

	COMPANY £	GROUP £
Contributions payable	10,000	10,000
Operating charges - other income	23,700	23,700
Operating charges - rent	9,000	179,628
Operating charges – loan interest payable	-	10,850
Other creditors	130,193	130,193
Loan - due after more than one year	-	310,000

28. Controlling party

The parent undertaking is Tom Barron Limited.

29. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group and the company transitioned to FRS 102 on 1st July 2014.

Reconciliation of equity

Group	1st July 2014			30th June 2015		
	As previously stated £	Effect of FRS 102 transition £	(as restated) £	As previously stated £	Effect of FRS 102 transition £	(as restated) £
Fixed assets	2,106,824	872,759	2,979,583	2,200,316	887,510	3,087,826
Current assets	5,438,002	72,900	5,510,902	5,572,324	96,000	5,668,324
Creditors: amounts falling due within one year	(3,894,455)	-	(3,894,455)	(4,095,854)	-	(4,095,854)
Net current assets	<u>1,543,547</u>	<u>72,900</u>	<u>1,616,447</u>	<u>1,476,470</u>	<u>96,000</u>	<u>1,572,470</u>
Total assets less current liabilities	3,650,371	945,659	4,596,030	3,676,786	983,510	4,660,296
Creditors: amounts falling due after more than one year	(3,270,462)	-	(3,270,462)	(3,199,460)	-	(3,199,460)
Net assets	<u>379,909</u>	<u>945,659</u>	<u>1,325,568</u>	<u>477,326</u>	<u>983,510</u>	<u>1,460,836</u>
Capital and reserves	<u>379,909</u>	<u>945,659</u>	<u>1,325,568</u>	<u>477,326</u>	<u>983,510</u>	<u>1,460,836</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

29. Transition to FRS 102 (continued)

Reconciliation of equity

Company	1st July 2014		30th June 2015			
	As previously stated £	Effect of FRS 102 transition £	As previously stated £	Effect of FRS 102 transition £	As previously stated £	Effect of FRS 102 transition £
Fixed assets	1,265,981	872,759	2,138,740	1,295,420	887,510	2,182,930
Current assets	2,863,241	–	2,863,241	3,051,223	–	3,051,223
Creditors: amounts falling due within one year	(870,046)	–	(870,046)	(1,034,360)	–	(1,034,360)
Net current assets	<u>1,993,195</u>	<u>–</u>	<u>1,993,195</u>	<u>2,016,863</u>	<u>–</u>	<u>2,016,863</u>
Total assets less current liabilities	3,259,176	872,759	4,131,935	3,312,283	887,510	4,199,793
Creditors: amounts falling due after more than one year	(2,879,259)	–	(2,879,259)	(2,834,950)	–	(2,834,950)
Net assets	<u>379,917</u>	<u>872,759</u>	<u>1,252,676</u>	<u>477,333</u>	<u>887,510</u>	<u>1,364,843</u>
Capital and reserves	<u>379,917</u>	<u>872,759</u>	<u>1,252,676</u>	<u>477,333</u>	<u>887,510</u>	<u>1,364,843</u>

Reconciliation of profit or loss for the year

	Year ended 30th June 2015		
	As previously stated £	Effect of FRS 102 transition £	(as restated) £
Turnover	11,934,015	–	11,934,015
Other operating income	98,749	–	98,749
Raw material and consumables	(7,013,978)	23,100	(6,990,878)
Staff costs	(2,489,995)	–	(2,489,995)
Depreciation	(294,955)	14,751	(280,204)
Other operating expenses	(2,109,703)	–	(2,109,703)
Operating (loss)/profit	<u>124,133</u>	<u>37,851</u>	<u>161,984</u>
Interest payable and similar expenses	(172,624)	–	(172,624)
Loss for the financial year	<u>(48,491)</u>	<u>37,851</u>	<u>(10,640)</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 30TH JUNE 2016

29. Transition to FRS 102 (continued)

The group has adopted FRS 102 for the year ended 30th June 2016 and has restated the comparative prior year amount.

Changes for FRS 102 adoption

On transition to FRS 102 the group has valued its biological assets and related agricultural produce at fair value. This has resulted in an increase in the opening stock value of £96,000.

The group has also valued property consisting of its poultry sheds and the mill at fair value. This has resulted in an increase in the opening value of fixed assets of £887,510.

TOM BARRON LIMITED**CONSOLIDATED DETAILED INCOME STATEMENT****YEAR ENDED 30TH JUNE 2016**

	2 0 1 6 £	2 0 1 5 £
TURNOVER	11,050,608	11,934,015
Other operating income	<u>104,438</u>	<u>98,749</u>
	11,155,046	12,032,764
Raw material and consumables	6,435,699	6,990,878
Staff costs	2,709,042	2,489,995
Depreciation	280,511	280,204
Other operating expenses	2,046,390	2,109,703
OPERATING (LOSS)/PROFIT	<u>(316,596)</u>	<u>161,984</u>
Interest payable and similar expenses	175,360	172,624
LOSS BEFORE TAXATION	<u>(491,956)</u>	<u>(10,640)</u>

TOM BARRON LIMITED

NOTES TO THE CONSOLIDATED DETAILED INCOME STATEMENT

YEAR ENDED 30TH JUNE 2016

	2016	2015
	£	£
OTHER OPERATING INCOME		
Miscellaneous income	<u>104,438</u>	<u>98,749</u>
RAW MATERIAL AND CONSUMABLES		
Stock variation	6,312,899	6,868,078
Incubation fees and rental of breeder sheds	<u>122,800</u>	<u>122,800</u>
	<u>(6,435,699)</u>	<u>(6,990,878)</u>
STAFF COSTS		
Staff costs - wages and salaries	2,500,280	2,303,262
Staff costs - national insurance	186,538	175,733
Staff pension scheme	12,224	1,000
Directors' pension scheme	<u>10,000</u>	<u>10,000</u>
	<u>2,709,042</u>	<u>2,489,995</u>
DEPRECIATION		
Depreciation of goodwill	-	704
Depreciation	280,511	304,000
Profit on disposal of freehold land and buildings	<u>-</u>	<u>(24,500)</u>
	<u>280,511</u>	<u>280,204</u>
OTHER OPERATING EXPENSES		
Rent	143,234	142,517
Rates and water	74,325	79,899
Heat, light and power	384,566	393,634
Insurances	64,286	61,745
Repairs and renewals	175,260	178,261
Cleaning materials and shavings	181,404	157,693
Motor	406,987	454,350
Travelling	87,553	95,189
Hire costs (non-operating leases)	4,588	(12,240)
Leasing charges	111,770	120,058
Telephone	24,573	20,469
Printing and stationery	19,964	20,916
Miscellaneous	79,619	89,963
Subscriptions	14,833	10,632
Staff private patients' plan	32,177	32,154
Advertising	28,468	38,982
Bad debts	62,137	41,138
Bank charges	51,767	62,932
Legal and professional	11,515	41,237
Consultancy fees	19,564	14,824
Audit and accountancy	<u>67,800</u>	<u>65,350</u>
	<u>2,046,390</u>	<u>2,109,703</u>
INTEREST PAYABLE AND SIMILAR EXPENSES		
Loan interest	126,438	127,923
Bank interest	10,902	11,385
Interest on hire purchase and finance lease contracts	18,438	23,546
Other interest	<u>19,582</u>	<u>9,770</u>
	<u>175,360</u>	<u>172,624</u>