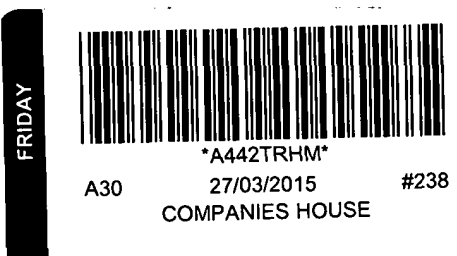


**REGISTERED NUMBER - 563365
(England and Wales)**

**TOM BARRON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2014**



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
STRATEGIC REPORT
YEAR ENDED 30TH JUNE 2014

REVIEW OF THE BUSINESS

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

The Group's poultry division is introducing a new bird, the Novogen, to the UK market. Acceptance of the bird by the industry has been very positive and the bird is performing well when compared to its competitors. Orders for the year ending 30th June 2015 are already over 50% up on those achieved in 2014 and it is anticipated that the group will return to profitable trading in 2015.

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.

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 2014

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 26th March 2015

TOM BARRON LIMITED

DIRECTORS' REPORT

YEAR ENDED 30TH JUNE 2014

The directors present their report and the financial statements of the group for the year ended 30th June 2014.

RESULTS AND DIVIDENDS

The loss for the year amounted to £514,249. The directors have not recommended a dividend.

Revaluation of the freehold buildings gave rise to a surplus of £251,561.

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.

DIRECTORS

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

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

DIRECTORS' RESPONSIBILITIES

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 company and the group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 group will continue in business.

TOM BARRON LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 30TH JUNE 2014

DIRECTORS' RESPONSIBILITIES (continued)

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.

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

AUDITORS

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

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

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has 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 company's auditor is aware of that information.

Signed on behalf of the directors



N.W. LEEMING
Director

Approved by the directors on 26th March 2015

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

YEAR ENDED 30TH JUNE 2014

We have audited the group and parent company financial statements ("the financial statements") of Tom Barron Limited for the year ended 30th June 2014. 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 4 to 5, 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 annual 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 parent company's affairs as at 30th June 2014 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

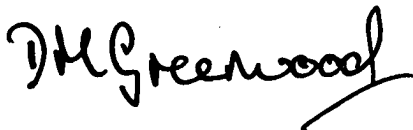
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TOM BARRON LIMITED** (continued)

YEAR ENDED 30TH JUNE 2014

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

26th March 2015

TOM BARRON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 2014

	Note	2 0 1 4 £	2 0 1 3 £
GROUP TURNOVER	2	12,698,588	11,908,017
Other operating income	3	112,042	100,744
		12,810,630	12,008,761
Cost of sales		(8,429,149)	(8,038,176)
Staff costs	4	(2,399,073)	(2,321,267)
Depreciation written off fixed assets	5	(331,857)	(368,238)
Other operating charges		(2,011,114)	(2,130,336)
OPERATING LOSS	5	(360,563)	(849,256)
Exceptional item	7	–	968,813
Interest payable and similar charges	8	(153,686)	(162,309)
		–	–
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(514,249)	(42,752)
Tax on loss on ordinary activities	9	–	–
		–	–
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	10	(514,249)	(42,752)

CONTINUING OPERATIONS

All of the activities of the group are classed as continuing.

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 13 to 27 form part of these financial statements.

TOM BARRON LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30TH JUNE 2014

	2 0 1 4	2 0 1 3
	£	£
Loss for the financial year attributable to the shareholders of the parent company	(514,249)	(42,752)
Unrealised profit on revaluation of certain fixed assets	<u>251,561</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>(262,688)</u>	<u>(42,752)</u>

The notes on pages 13 to 27 form part of these financial statements.

TOM BARRON LIMITED
GROUP BALANCE SHEET
30TH JUNE 2014

	Note	2014		2013	
		£	£	£	£
FIXED ASSETS					
Intangible assets	11		724		10,781
Tangible assets	12		2,106,062		1,899,776
Investments	13		38		10
			<u>2,106,824</u>		<u>1,910,567</u>
CURRENT ASSETS					
Stocks	14	2,872,299		2,735,018	
Debtors	15	2,647,596		2,227,666	
Cash at bank and in hand		61,344		178,989	
		<u>5,581,239</u>		<u>5,141,673</u>	
CREDITORS: amounts falling due within one year	16	<u>4,037,692</u>		<u>3,449,331</u>	
NET CURRENT ASSETS			<u>1,543,547</u>		<u>1,692,342</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,650,371</u>		<u>3,602,909</u>
CREDITORS: amounts falling due after more than one year	17		<u>3,270,462</u>		<u>2,960,312</u>
NET ASSETS			<u><u>379,909</u></u>		<u><u>642,597</u></u>
CAPITAL AND RESERVES					
Called-up equity share capital	22		20,000		20,000
Revaluation reserve	23		251,561		—
Profit and loss account	23		108,348		622,597
SHAREHOLDERS' FUNDS	24		<u><u>379,909</u></u>		<u><u>642,597</u></u>

These accounts were approved by the directors and authorised for issue on 26th March 2015, and are signed on their behalf by:


N. W. LEEMING
 Director

The notes on pages 13 to 27 form part of these financial statements.

TOM BARRON LIMITED

BALANCE SHEET

30TH JUNE 2014

	Note	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		1,265,876		1,095,567
Investments	13		105		105
			<u>1,265,981</u>		<u>1,095,672</u>
CURRENT ASSETS					
Stocks	14	455,580		403,965	
Debtors	15	1,430,639		2,116,262	
Cash at bank and in hand		1,120,259		1,011,430	
		<u>3,006,478</u>		<u>3,531,657</u>	
CREDITORS: amounts falling due within one year	16	<u>1,013,283</u>		<u>1,055,828</u>	
NET CURRENT ASSETS			<u>1,993,195</u>		<u>2,475,829</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,259,176</u>		<u>3,571,501</u>
CREDITORS: amounts falling due after more than one year	17		<u>2,879,259</u>		<u>2,928,896</u>
NET ASSETS			<u><u>379,917</u></u>		<u><u>642,605</u></u>
CAPITAL AND RESERVES					
Called-up equity share capital	22		20,000		20,000
Revaluation reserve	23		251,561		-
Profit and loss account	23		108,356		622,605
SHAREHOLDERS' FUNDS	24		<u><u>379,917</u></u>		<u><u>642,605</u></u>

These accounts were approved by the directors and authorised for issue on 26th March 2015, and are signed on their behalf by:


N. W. LEEMING
 Director

Company Registration Number: 563365

The notes on pages 13 to 27 form part of these financial statements.

TOM BARRON LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 30TH JUNE 2014

	Note	2 0 1 4 £	2 0 1 3 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	282,496	659,164
Returns on investments and servicing of finance	25	(153,686)	(162,309)
Capital expenditure and financial investment	25	(276,553)	226,948
Cash (outflow)/inflow before financing		<u>(147,743)</u>	<u>723,803</u>
Financing	25	30,098	(785,503)
Decrease in cash	25	<u>(117,645)</u>	<u>(61,700)</u>

The notes on pages 13 to 27 form part of these financial statements.

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

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

Except for freehold buildings, all fixed assets are initially recorded at cost. Freehold buildings have been revalued during the year and are included at valuation.

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 or valuation
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 2014

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 2014

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:

	2 0 1 4	2 0 1 3
	£	£
United Kingdom	12,123,266	11,590,984
Overseas	575,322	317,033
	<u>12,698,588</u>	<u>11,908,017</u>

3. OTHER OPERATING INCOME

	2 0 1 4	2 0 1 3
	£	£
Miscellaneous income	<u>112,042</u>	<u>100,744</u>

4. PARTICULARS OF EMPLOYEES

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

	2 0 1 4	2 0 1 3
	No	No
Number of production staff	94	92
Number of administrative staff	<u>21</u>	<u>22</u>
	<u>115</u>	<u>114</u>

The aggregate payroll costs of the above were:

	2 0 1 4	2 0 1 3
	£	£
Wages and salaries	2,215,008	2,165,367
Social security costs	173,065	154,900
Other pension costs	11,000	1,000
	<u>2,399,073</u>	<u>2,321,267</u>

5. OPERATING LOSS

Operating loss is stated after charging:

	2 0 1 4	2 0 1 3
	£	£
Amortisation of intangible assets	10,057	24,926
Depreciation of owned fixed assets	258,245	273,553
Depreciation of assets held under hire purchase agreements	63,555	69,759
Auditor's remuneration		
- as auditor	24,500	23,550
Operating lease costs:		
Buildings	124,068	128,011
Equipment	245,040	189,774

TOM BARRON LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH JUNE 2014****6. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	2 0 1 4	2 0 1 3
	£	£
Remuneration receivable	205,951	162,551
Value of company pension contributions to money purchase schemes	10,000	—
	<u>215,951</u>	<u>162,551</u>

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

	2 0 1 4	2 0 1 3
	No	No
Money purchase schemes	<u>6</u>	<u>6</u>

7. EXCEPTIONAL ITEM

The exceptional profit on disposal of property relates to the sale of the hatchery to the Tom Barron (1978) Pension Scheme at the open market value advised by SHP Valuers Limited, Chartered Surveyors, on 18th June 2013.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2 0 1 4	2 0 1 3
	£	£
Interest payable on bank borrowing	8,524	10,513
Loan interest	126,402	138,868
Finance charges	17,236	8,747
Other interest	1,524	4,181
	<u>153,686</u>	<u>162,309</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

9. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2013 - 20%).

	2 0 1 4	2 0 1 3
	£	£
Loss on ordinary activities before taxation	<u>(514,249)</u>	<u>(42,752)</u>
Loss on ordinary activities by rate of tax	(102,850)	(8,551)
Expenses not deductible for tax purposes	13,797	13,517
Capital allowances for period in excess of depreciation	10,567	14,968
Utilisation of tax losses	(64,620)	(3,090)
Unrelieved tax losses	152,394	99,282
Adjustments for herd stock	(9,288)	929
Indexation relief on disposal of tangible fixed assets	-	(117,050)
Dividends received	-	(5)
Total current tax	<u>-</u>	<u>-</u>

10. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss after taxation dealt with in the financial statements of the parent company was £(514,249) (2013 - £(44,823)).

11. INTANGIBLE FIXED ASSETS

Group	Goodwill and concessions £	Milk quotas £	Total £
COST			
At 1st July 2013 and 30th June 2014	<u>530,542</u>	<u>95,430</u>	<u>625,972</u>
AMORTISATION			
At 1st July 2013	519,767	95,424	615,191
Charge for the year	<u>10,057</u>	<u>-</u>	<u>10,057</u>
At 30th June 2014	<u>529,824</u>	<u>95,424</u>	<u>625,248</u>
NET BOOK VALUE			
At 30th June 2014	<u>718</u>	<u>6</u>	<u>724</u>
At 30th June 2013	<u>10,775</u>	<u>6</u>	<u>10,781</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

12. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Short leasehold buildings £	Improvements to short leasehold buildings £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 July 2013	185,332	1,211,086	25,321	4,904,779	806,651	7,133,169
Additions	–	36,450	–	201,150	63,399	300,999
Disposals	–	–	–	(79,737)	(108,774)	(188,511)
Revaluation	170,668	–	–	–	–	170,668
At 30 June 2014	<u>356,000</u>	<u>1,247,536</u>	<u>25,321</u>	<u>5,026,192</u>	<u>761,276</u>	<u>7,416,325</u>
DEPRECIATION						
At 1 July 2013	80,893	443,555	15,727	4,141,284	551,934	5,233,393
Charge for the year	–	24,617	2,533	236,368	58,282	321,800
On disposals	–	–	–	(63,021)	(101,016)	(164,037)
Revaluation adjustment	(80,893)	–	–	–	–	(80,893)
At 30 June 2014	<u>–</u>	<u>468,172</u>	<u>18,260</u>	<u>4,314,631</u>	<u>509,200</u>	<u>5,310,263</u>
NET BOOK VALUE						
At 30 June 2014	<u>356,000</u>	<u>779,364</u>	<u>7,061</u>	<u>711,561</u>	<u>252,076</u>	<u>2,106,062</u>
At 30 June 2013	<u>104,439</u>	<u>767,531</u>	<u>9,594</u>	<u>763,495</u>	<u>254,717</u>	<u>1,899,776</u>

Freehold land and buildings include £21,000 (2013 - £21,000) in respect of land which has not been depreciated and is stated at cost.

The company's freehold buildings were revalued in March 2015 by Armitstead Barnett, Chartered Surveyors, at open market valuation in the sum of £335,000. In the opinion of the directors this represents a fair valuation at 30th June 2014.

Had the freehold buildings been carried at cost less depreciation the carrying amount would have been £80,252.

Hire purchase agreements

Included within the net book value of £2,096,062 is £336,882 (2013 - £206,690) 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 £63,555 (2013 - £69,759).

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

12. TANGIBLE FIXED ASSETS (continued)

Company	Freehold land and buildings £	Short leasehold buildings £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 July 2013	185,332	942,230	3,042,838	268,212	4,438,612
Additions	—	—	22,820	64,142	86,962
Disposals	—	—	(43,286)	(108,774)	(152,060)
Revaluation	170,668	—	—	—	170,668
At 30 June 2014	<u>356,000</u>	<u>942,230</u>	<u>3,022,372</u>	<u>223,580</u>	<u>4,544,182</u>
DEPRECIATION					
At 1 July 2013	80,893	374,051	2,655,347	232,754	3,343,045
Charge for the year	—	18,846	114,633	19,720	153,199
On disposals	—	—	(36,771)	(100,274)	(137,045)
Revaluation adjustment	(80,893)	—	—	—	(80,893)
At 30 June 2014	<u>—</u>	<u>392,897</u>	<u>2,733,209</u>	<u>152,200</u>	<u>3,278,306</u>
NET BOOK VALUE					
At 30 June 2014	<u>356,000</u>	<u>549,333</u>	<u>289,163</u>	<u>71,380</u>	<u>1,265,876</u>
At 30 June 2013	<u>104,439</u>	<u>568,179</u>	<u>387,491</u>	<u>35,458</u>	<u>1,095,567</u>

Hire purchase agreements

Included within the net book value of £1,255,876 is £102,941 (2013 - £90,265) 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 £30,554 (2013 - £26,740).

13. INVESTMENTS

Group	Unlisted investments £
Cost	
Balance brought forward	10
Additions - group shares	28
Balance carried forward	<u>38</u>
Net book value	
Balance carried forward	38
Balance brought forward	<u>10</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

13. INVESTMENTS (continued)

The subsidiary undertakings as at 30th June 2014 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

Company	Subsidiary undertakings £
Cost	
Balance brought forward	481,345
Balance carried forward	481,345
Net book value	
Balance carried forward	105
Balance brought forward	105

14. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials and consumables	538,360	484,063	78,664	87,243
Livestock and produce	2,333,939	2,250,955	376,916	316,722
	2,872,299	2,735,018	455,580	403,965

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

15. DEBTORS

	Group		Company	
	2 0 1 4	2 0 1 3	2 0 1 4	2 0 1 3
	£	£	£	£
Trade debtors	2,362,033	1,839,676	654,293	664,830
Amounts owed by group undertakings	–	–	553,963	1,092,630
Other debtors	207,783	344,042	207,783	344,042
Directors' current accounts	3,809	–	3,809	–
Prepayments and accrued income	73,971	43,948	10,791	14,760
	<u>2,647,596</u>	<u>2,227,666</u>	<u>1,430,639</u>	<u>2,116,262</u>

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

	Group		Company	
	2 0 1 4	2 0 1 3	2 0 1 4	2 0 1 3
	£	£	£	£
Amounts owed by group undertakings	–	–	553,963	692,022

The amounts owed to the company by group undertakings are stated after a provision for the losses of those undertakings in the sum of £2,680,790 (2013 - £2,144,417).

16. CREDITORS: amounts falling due within one year

	Group		Company	
	2 0 1 4	2 0 1 3	2 0 1 4	2 0 1 3
	£	£	£	£
Invoice discounting advances	1,099,920	419,137	–	–
Loan from related party	28,922	27,999	28,922	27,999
Bank loans	43,165	41,462	43,165	41,462
Trade creditors	2,065,979	1,809,862	408,530	399,552
Amounts owed to group undertakings	–	–	100	100
Hire purchase agreements	91,885	63,640	25,546	32,151
Directors' loan accounts	–	5,026	–	5,026
Other taxes and social security	42,644	46,043	10,791	12,520
Other creditors	519,474	542,475	442,808	431,074
Loans - Tom Barron (1978) Pension Scheme	–	310,000	–	–
Accruals and deferred income	145,703	183,687	53,421	105,944
	<u>4,037,692</u>	<u>3,449,331</u>	<u>1,013,283</u>	<u>1,055,828</u>

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

16. CREDITORS: amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2 0 1 4	2 0 1 3	2 0 1 4	2 0 1 3
	£	£	£	£
Bank loans	43,165	41,462	43,165	41,462
Hire purchase agreements	91,885	63,641	25,546	32,151
Invoice discounting advances	1,099,920	729,138	–	–
	<u>1,234,970</u>	<u>834,241</u>	<u>68,711</u>	<u>73,613</u>

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

	Group		Company	
	2 0 1 4	2 0 1 3	2 0 1 4	2 0 1 3
	£	£	£	£
Bank loans	415,044	458,538	415,044	458,538
Hire purchase agreements	124,582	52,061	43,379	20,645
Loans - Tom Barron (1978) Pension Scheme	310,000	–	–	–
Loan from related party	2,420,836	2,449,713	2,420,836	2,449,713
	<u>3,270,462</u>	<u>2,960,312</u>	<u>2,879,259</u>	<u>2,928,896</u>

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

	Group		Company	
	2 0 1 4	2 0 1 3	2 0 1 4	2 0 1 3
	£	£	£	£
Bank loans	415,044	458,538	415,044	458,538
Hire purchase agreements	124,582	52,061	43,379	20,645
Loans - Tom Barron (1978) Pension Scheme	310,000	–	–	–
	<u>849,626</u>	<u>510,599</u>	<u>458,423</u>	<u>479,183</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 2014

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts payable within 1 year	91,885	63,641	25,546	32,151
Amounts payable between 2 to 5 years	124,582	52,061	43,379	20,645
	<u>216,467</u>	<u>115,702</u>	<u>68,925</u>	<u>52,796</u>

19. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2014		2013	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	55,660	10,652	105,040	124,033
Within 2 to 5 years	184,428	75,135	52,068	3,108
	<u>240,088</u>	<u>85,787</u>	<u>157,108</u>	<u>127,141</u>

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as set out below.

Company	2014		2013	
	Land and buildings	Other items	Land and buildings	Other items
	£	£	£	£
Operating leases which expire:				
Within 1 year	9,620	2,072	9,620	-
Within 2 to 5 years	9,000	11,219	-	3,108
	<u>18,620</u>	<u>13,291</u>	<u>9,620</u>	<u>3,108</u>

20. 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 2014 such borrowings amounted to £856,701 (2013 - £679,610).

TOM BARRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2014

21. 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 2014 are set out below:

	GROUP £	COMPANY £
Pennine Organic's Limited		
Debtors - amounts owed to group undertakings	-	398,035
Bartle Hall Farms Limited		
Trade debtors - due within one year	2,589	2,589
Tom Barron Estates Limited		
Operating charges - rent	26,240	9,620
Operating charges - loan interest payable	95,775	95,775
Loan from related party - due within one year	28,922	28,922
Loan from related party - due after one year	2,420,836	2,420,836
Other creditors	437,760	437,760

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 2014 were:

	GROUP £	COMPANY £
Operating charges - other income	17,916	17,916
Operating charges - rent	178,428	9,000
Operating charges - loan interest payable	10,850	-
Other debtors	140,648	140,648
Loan - due after more than one year	310,000	-

22. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
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 2014

23. RESERVES

Group	Revaluation reserve £	Profit and loss account £
Balance brought forward	–	622,597
Loss for the year	–	(514,249)
Other gains and losses		
- Revaluation of fixed assets	251,561	–
Balance carried forward	<u>251,561</u>	<u>108,348</u>
Company	Revaluation reserve £	Profit and loss account £
Balance brought forward	–	622,605
Loss for the year	–	(514,249)
Other gains and losses		
- Revaluation of fixed assets	251,561	–
Balance carried forward	<u>251,561</u>	<u>108,356</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Loss for the financial year after taxation	(514,249)	(42,752)
Other net recognised gains and losses	<u>251,561</u>	–
Net reduction to shareholders' funds	(262,688)	(42,752)
Opening shareholders' funds	<u>642,597</u>	<u>685,349</u>
Closing shareholders' funds	<u>379,909</u>	<u>642,597</u>

25. NOTES TO THE CASH FLOW STATEMENT

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

	2014 £	2013 £
Operating loss	(360,563)	(849,256)
Amortisation	10,057	24,926
Depreciation	321,800	343,312
(Increase)/decrease in stocks	(137,281)	362,311
Increase in debtors	(419,930)	(215,830)
Increase in creditors	868,413	24,888
Exceptional item	–	968,813
Net cash inflow from operating activities	<u>282,496</u>	<u>659,164</u>

TOM BARRON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2014

25. NOTES TO THE CASH FLOW STATEMENT (continued)

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2 0 1 4	2 0 1 3
	£	£
Interest paid	(136,450)	(153,562)
Interest element of hire purchase	(17,236)	(8,747)
Net cash outflow from returns on investments and servicing of finance	<u>(153,686)</u>	<u>(162,309)</u>

CAPITAL EXPENDITURE

	2 0 1 4	2 0 1 3
	£	£
Payments to acquire tangible fixed assets	(300,999)	(247,084)
Receipts from sale of fixed assets	24,474	474,032
Acquisition of fixed asset investments	(28)	—
Net cash (outflow)/inflow from capital expenditure	<u>(276,553)</u>	<u>226,948</u>

FINANCING

	2 0 1 4	2 0 1 3
	£	£
(Repayment of)/increase in bank loans	(41,791)	393,487
Net (outflow)/inflow from other short-term creditors	(310,000)	310,000
Capital element of hire purchase	100,766	(91,035)
Net inflow/(outflow) from other long-term creditors	<u>281,123</u>	<u>(1,397,955)</u>
Net cash inflow/(outflow) from financing	<u>30,098</u>	<u>(785,503)</u>

TOM BARRON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2014

25. NOTES TO THE CASH FLOW STATEMENT (continued)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014		2013	
	£	£	£	£
Decrease in cash in the period	(117,645)		(61,700)	
Net cash outflow from/(inflow) from bank loans	41,791		(393,487)	
Net outflow from/(inflow) from other short-term creditors	310,000		(310,000)	
Cash outflow in respect of hire purchase	(100,766)		91,035	
Net cash (inflow) from/outflow from other long-term creditors	<u>(281,123)</u>		<u>1,397,955</u>	
		(147,743)		723,803
Change in net debt		(147,743)		723,803
Net debt at 1 July 2013		<u>(3,196,425)</u>		<u>(3,920,227)</u>
Net debt at 30 June 2014		<u>(3,344,168)</u>		<u>(3,196,425)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2013 £	Cash flows £	At 30 June 2014 £
Net cash:			
Cash in hand and at bank	<u>178,989</u>	<u>(117,645)</u>	<u>61,344</u>
Debt:			
Debt due within 1 year	(351,462)	308,297	(43,165)
Debt due after 1 year	(2,908,251)	(237,629)	(3,145,880)
Hire purchase agreements	<u>(115,701)</u>	<u>(100,766)</u>	<u>(216,467)</u>
	<u>(3,375,414)</u>	<u>(30,098)</u>	<u>(3,405,512)</u>
Net debt	<u>(3,196,425)</u>	<u>(147,743)</u>	<u>(3,344,168)</u>