

Ian Mosey Limited

FINANCIAL STATEMENTS

for the year ended

31 August 2003



Company Registration No. 1441284

Ian Mosey Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Ian Mosey Limited for the year ended 31 August 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of Farming and Feed merchants.

REVIEW OF THE BUSINESS

The directors are satisfied with the results for the year.

RESULTS AND DIVIDENDS

The trading loss for the year was £75,097 .

DIRECTORS

The following directors have held office since 1 September 2002:

B I Mosey
B M Mosey

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

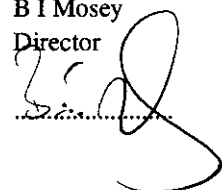
	<i>Ordinary shares of £1 each</i>	
	31.8.03	1.9.02
B I Mosey	1	1
B M Mosey	1	1

AUDITORS

Following the resignation of Sagars, Baker Tilly were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board

B I Mosey
Director



Ian Mosey Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY LIMITED

We have audited the financial statements on pages 5 to 17 .

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

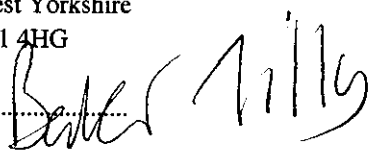
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
West Yorkshire
LS1 4HG


29 June 2004

Ian Mosey Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2003

	<i>Notes</i>	2003 £	2002 £
TURNOVER	1	4,823,921	5,025,205
Cost of sales		3,144,530	3,782,476
Gross profit		1,679,391	1,242,729
Other operating expenses (net)	2	1,656,544	1,697,550
OPERATING PROFIT/(LOSS)		22,847	(454,821)
Interest payable	3	97,944	81,415
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(75,097)	(536,236)
Taxation	6	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	(75,097)	(536,236)

The operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Ian Mosey Limited

BALANCE SHEET

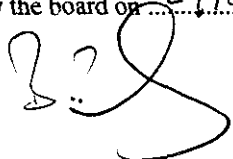
31 August 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	2,310,247	2,476,699
Investments	8	273	273
		<u>2,310,520</u>	<u>2,476,972</u>
CURRENT ASSETS			
Stocks	9	1,277,849	1,597,001
Debtors	10	424,516	249,520
		<u>1,702,365</u>	<u>1,846,521</u>
CREDITORS: Amounts falling due within one year	11	1,134,647	1,838,793
		<u>567,718</u>	<u>7,728</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		2,878,238	2,484,700
CREDITORS: Amounts falling due after more than one year	12	(2,685,380)	(2,216,745)
		<u>192,858</u>	<u>267,955</u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Revaluation reserve	14	942,676	942,676
Profit and loss account	14	(749,820)	(674,723)
SHAREHOLDERS' FUNDS			
	15	<u>192,858</u>	<u>267,955</u>

Approved by the board on

22/06/04

B I Mosey



Director

Ian Mosey Limited
CASH FLOW STATEMENT
for the year ended 31 August 2003

	<i>Notes</i>	2003 £	2002 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	16	423,360	293,550
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(112,054)	(78,320)
Interest element of finance lease rentals		(3,095)	(3,095)
Net cash outflow for returns on investments and servicing of finance		(115,149)	(81,415)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(20,103)	(68,240)
Receipts from sales of tangible assets		8,500	-
Net cash outflow for capital expenditure		(11,603)	(68,240)
Net cash inflow/(outflow) before management of liquid resources and financing		296,608	143,895
FINANCING			
New long term bank loan		-	750,000
Repayment of long term bank loan		(242,939)	(289,581)
Capital element of hire purchase contracts		(16,094)	(16,094)
Net cash (outflow)/inflow from financing		(259,033)	444,325
INCREASE/(DECREASE) IN CASH IN THE YEAR		37,575	588,220

Ian Mosey Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold land and buildings in accordance with applicable accounting standards.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost or valuation less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Land and buildings Freehold	4% on cost
Plant and machinery	20% on reducing balance
Motor vehicles	25% on reducing balance

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

STOCK

Stock is valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

PENSIONS CONTRIBUTIONS

The company operates a defined contribution scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The annual contributions payable are charged to the profit and loss account in the period to which they relate.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

1. TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activities wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES (NET)

	2003 £	2002 £
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Administrative expenses	1,700,053	1,697,550
Other operating income	(43,509)	-
	<u>1,656,544</u>	<u>1,697,550</u>

3. INTEREST PAYABLE

	2003 £	2002 £
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On bank loans and overdrafts	235,749	218,342
Pig ongoers scheme loan interest recovery	(150,000)	(150,000)
Hire purchase interest	3,095	3,095
Other interest	9,100	9,978
	<u>97,944</u>	<u>81,415</u>

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £	2002 £
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Loss on ordinary activities before taxation is stated after charging:

Depreciation of tangible assets:

Charge for the year:

owned assets	169,868	145,531
leased assets	8,187	10,234
Loss on disposals	-	6,984
Auditors' remuneration	<u>4,000</u>	<u>5,000</u>

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

5. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2003 No.	2002 No.
Production	20	28
Distribution	5	5
	<u>25</u>	<u>33</u>

	£	£
Staff costs for the above persons:		
Wages and salaries	509,686	602,104
Social security costs	46,459	56,881
Other pension costs	4,268	8,960
	<u>560,413</u>	<u>667,945</u>

DIRECTORS' REMUNERATION	2003 £	2002 £
Emoluments for qualifying services	-	36,276
Company pension contributions to money purchase schemes	4,268	8,960
	<u>4,268</u>	<u>45,236</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

6. TAXATION

	2003 £	2002 £
Current tax charge	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(75,097)	(536,236)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	(22,529)	(160,871)
Effects of:		
Non deductible expenses	4,695	5,128
Capital allowances in excess of depreciation	(224)	(4,222)
Unrelieved losses carried forward	18,058	159,965
	22,529	160,871
Current tax charge	-	-

The company has tax losses carried forward of approximately £2,200,000 (2002:£2,140,000) in respect of trading losses. No deferred tax asset has been recognised in respect of these losses due to uncertainty of the timing of future profitability.

The amount of corporation tax recoverable if these losses were utilised would be approximately £418,000 (2002:£406,600) at the current rates of corporation tax of 19%.

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

7. TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Land and buildings Leasehold</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost or valuation					
1 September 2002	1,757,235	600,138	1,974,302	260,919	4,592,594
Additions	-	-	8,603	11,500	20,103
Disposals	-	-	-	(68,855)	(68,855)
31 August 2003	1,757,235	600,138	1,982,905	203,564	4,543,842
Depreciation					
1 September 2002	64,935	600,138	1,231,593	219,229	2,115,895
Charge in the year	15,586	-	149,439	13,030	178,055
Disposals	-	-	-	(60,355)	(60,355)
31 August 2003	80,521	600,138	1,381,032	171,904	2,233,595
Net book value					
31 August 2003	1,676,714	-	601,873	31,660	2,310,247
31 August 2002	1,692,300	-	742,709	41,690	2,476,699

On an historical cost basis freehold land and buildings would have been included at:

	£
Cost	
1 September 2002 and 31 August 2003	814,559
Depreciation based on cost	
1 September 2002	64,935
Charge in the year	15,586
31 August 2003	80,521
Net book value	
31 August 2003	734,038
31 August 2002	749,624

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

7 TANGIBLE FIXED ASSETS

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	<i>Plant and machinery</i> £
Net book value	
31 August 2003	32,749
31 August 2002	40,936

Freehold property cost includes £30,000 of bank interest capitalised in relation to the building of a feed mill.

The freehold properties were revalued by Stephenson & Son, Chartered Surveyors in January 2000 at open market value. This valuation has been included above and the surplus has been credited to revaluation reserve.

No interim valuation as required by FRS 15 has been undertaken because at the relevant time the company's properties were undergoing a planning consent review. Subsequently full planning consent has now been received in relation to certain applications. The directors now intend to have a full valuation carried out within the next few months. The directors are of the opinion that the value of the company's freehold and leasehold properties are fairly stated at 31 August 2003.

8 FIXED ASSET INVESTMENTS

	<i>Unlisted investments</i> £
Cost or valuation	
1 September 2002 and 31 August 2003	273

9 STOCKS

	2003 £	2002 £
Livestock and raw materials	1,277,849	1,597,001

10 DEBTORS

	2003 £	2002 £
Due within one year:		
Trade debtors	239,475	214,981
VAT repayable	30,896	-
Directors current account	15,332	-
Amounts due from related parties	138,813	34,539
	424,516	249,520

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

11. CREDITORS: Amounts falling due within one year	2003 £	2002 £
Bank loans and overdraft	697,030	1,318,260
Obligations under finance lease and hire purchase contracts	12,071	16,094
Trade creditors	308,722	212,599
Taxes and social security costs	39,958	29,404
Directors' current accounts	-	13,600
Other creditors	-	139,990
Accruals and deferred income	76,866	108,846
	<u>1,134,647</u>	<u>1,838,793</u>
12. CREDITORS: Amounts falling due in more than one year	2003 £	2002 £
Bank loans	2,545,390	2,204,674
Other loans	139,990	-
Obligations under finance leases and hire purchase agreements	-	12,071
	<u>2,685,380</u>	<u>2,216,745</u>
Loan maturity analysis:		
In more than one year but not more than two years	518,664	432,000
In more than two years but not more than five years	1,695,982	1,296,000
In more than five years	470,734	476,674
	<u>2,685,380</u>	<u>2,216,745</u>
	2003 £	2002 £
Obligations under finance leases and hire purchase contracts:		
Repayable within one year	12,071	16,094
Repayable between two and five years	-	12,071
	<u>12,071</u>	<u>28,165</u>
	12,071	28,165
Included in current liabilities	(12,071)	(16,094)
	<u>-</u>	<u>12,071</u>

All bank loans and overdrafts are secured by fixed and floating charges over the assets of the company, legal mortgages over the freehold and leasehold properties of the company, together with a personal guarantee given by Mr B I Mosey, director.

As at 31 August 2003, the company owed £139,990 to the Ian Mosey Limited Pension Fund. The loan was taken out to finance the feed mill and is repayable on 28 August 2008. Interest on the loan is charged at 3% over base rate. The loan is included in other loans.

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

13. SHARE CAPITAL	2003 £	2002 £
Authorised:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

14. STATEMENT OF MOVEMENT ON RESERVES

	Revaluation reserve £	Profit and loss account £
1 September 2002	942,676	(674,723)
Retained loss for the year	-	(75,097)
	<u>942,676</u>	<u>(749,820)</u>
31 August 2003		

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Loss for the financial year	(75,097)	(536,236)
Other recognised gains and losses	-	942,676
	<u>(75,097)</u>	<u>406,440</u>
Net (depletion in)/addition to shareholders' funds	267,955	(138,485)
Opening shareholders' funds		
	<u>192,858</u>	<u>267,955</u>
Closing shareholders' funds		

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

16. CASH FLOWS	2003 £	2002 £
a. Reconciliation of operating profit/(loss) to net cash inflow from operating activities		
Operating profit/(loss)	22,847	(454,821)
Depreciation of tangible assets	178,055	155,765
Loss on disposal of tangible assets	-	6,984
Decrease/(increase) in stocks	319,152	738,419
Increase in debtors	(174,996)	17,057
Increase in creditors within one year	78,302	(169,854)
Net cash inflow from operating activities	<u>423,360</u>	<u>293,550</u>

b. Analysis of net debt	1 September 2002 £	Cash flow £	Other non-cash changes £	31 August 2003 £
Net cash:				
Bank overdrafts	(123,163)	37,575	-	(85,588)
Bank deposits	-	-	-	-
Debt:				
Finance leases	(28,165)	16,094	-	(12,071)
Debts falling due within one year	(1,335,087)	13,097	710,548	(611,442)
Debts falling due after one year	(2,204,674)	229,842	(710,548)	(2,685,380)
	<u>(3,567,926)</u>	<u>259,033</u>	<u>-</u>	<u>(3,308,893)</u>
Net debt	<u>(3,691,089)</u>	<u>296,608</u>	<u>-</u>	<u>(3,394,481)</u>

c. Reconciliation of net cash flow to movement in net debt	2003 £	2002 £
Increase/(decrease) in cash in the year	37,575	588,220
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	<u>259,033</u>	<u>(4,279,309)</u>
Movement in net debt in the year	296,608	(3,691,089)
Opening net debt	<u>(3,691,089)</u>	-
Closing net debt	<u>(3,394,481)</u>	<u>(3,691,089)</u>

17. PENSION COMMITMENTS

	2003 £	2002 £
Contributions payable by the company for the year	<u>4,268</u>	<u>8,960</u>

Ian Mosey Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2003

18 . RELATED PARTY TRANSACTIONS

The company traded with BI & BM Partnership during the year. The partnership is controlled by the directors of Ian Mosey Limited.

The company traded on an arms length basis with BI & BM Partnership throughout the year with total sales amounting to £826,395, and total purchases amounting to £395,218.

Included in debtors is £138,813 due from BI & BM Partnership in respect of trade transactions.