

FOREMORE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2003

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FOREMORE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

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FOREMORE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The director	P B Hoddinott
Company secretary	J Hoddinott
Registered office	The Old Mill Park Road Shepton Mallet Somerset BA4 5BS
Auditors	Blueprint Audit Limited Chartered Accountants Registered Auditor The Old Mill Park Road Shepton Mallet Somerset BA4 5BS
Bankers	National Westminster Bank Plc 7 High Street Wells Somerset BA5 2AD

FOREMORE LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 31 MARCH 2003

The director presents his report and the financial statements of the company for the year ended 31 March 2003.

Principal activities

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

The director and his interests in shares of the company

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 March 2003	At 1 April 2002
P B Hoddinott	<u>1</u>	<u>1</u>

The share is held as nominee of the parent company, Worminster Farms limited. The interest of P B Hoddinott in the parent company is disclosed in the director's report of that company.

Mr T C Baines, an employee of Tenon, is a trustee of a trust holding shares in the parent company, Worminster Farms Limited. Mr T C Baines has no beneficial interest in the trust. Tenon undertakes accountancy, taxation and other non-audit services on behalf of the company.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

Blueprint Audit Limited have agreed to offer themselves for re-appointment as auditors of the company.

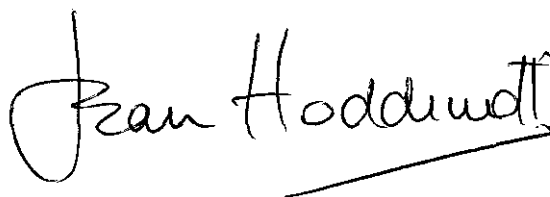
FOREMORE LIMITED
THE DIRECTOR'S REPORT *(continued)*
YEAR ENDED 31 MARCH 2003

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

Signed by order of the director

A handwritten signature in black ink, appearing to read 'J Hoddinott', with a horizontal line drawn underneath it.

J HODDINOTT
Company Secretary

Approved by the director on 10-9-03.....

FOREMORE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 6 to 15 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 the director and the auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Director's Responsibilities on page 2.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director 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.

FOREMORE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 MARCH 2003

Opinion

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

Blueprint Audit Ltd.

Blueprint Audit Limited
Registered Auditor
The Old Mill
Park Road
Shepton Mallet
Somerset
BA4 5BS

10-9-03
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FOREMORE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
Turnover		1,406,471	1,251,295
Cost of sales		<u>(1,137,875)</u>	<u>(1,043,027)</u>
Gross profit		268,596	208,268
Administrative expenses		(214,150)	(250,396)
Other operating income	2	<u>2,917</u>	<u>8,577</u>
Operating profit/(loss)	3	57,363	(33,551)
Interest payable		(56,246)	(52,746)
Profit/(loss) on ordinary activities before taxation		<u>1,117</u>	<u>(86,297)</u>
Tax on profit/(loss) on ordinary activities	5	—	—
Retained profit/(loss) for the financial year		<u>1,117</u>	<u>(86,297)</u>

The notes on pages 8 to 15 form part of these financial statements.

FOREMORE LIMITED

BALANCE SHEET

31 MARCH 2003

	Note	2003 £	2002 £
Fixed assets			
Intangible assets	6	127,000	60,407
Tangible assets	7	729,358	707,849
Investments	8	170,855	156,855
		<u>1,027,213</u>	<u>925,111</u>
Current assets			
Stocks		68,682	65,629
Debtors	9	172,467	54,645
		<u>241,149</u>	<u>120,274</u>
Creditors: Amounts falling due within one year	10	<u>647,162</u>	<u>531,043</u>
Net current liabilities		<u>(406,013)</u>	<u>(410,769)</u>
Total assets less current liabilities		<u>621,200</u>	<u>514,342</u>
Creditors: Amounts falling due after more than one year	11	<u>867,208</u>	<u>761,467</u>
		<u>(246,008)</u>	<u>(247,125)</u>
Capital and reserves			
Called-up equity share capital	14	100	100
Profit and loss account	15	(246,108)	(247,225)
Deficiency		<u>(246,008)</u>	<u>(247,125)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 10-9-03

Peter B. Hoddinott
P B HODDINOTT
Director

1. ACCOUNTING POLICIES

FOREMORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES *(continued)*

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Herd

The livestock herd is stated at initial cost under the herd basis. No depreciation is provided unless the director considers there has been a permanent diminution in value. This policy is adopted in order to give a true and fair view.

Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate.

2. OTHER OPERATING INCOME

	2003	2002
	£	£
Rent receivable	500	4,931
Other operating income	2,417	3,646
	<u>2,917</u>	<u>8,577</u>

FOREMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2003	2002
	£	£
Amortisation	11,546	12,081
Depreciation of owned fixed assets	58,863	63,813
Depreciation of assets held under hire purchase agreements	12,589	22,503
(Profit)/Loss on disposal of fixed assets	(6,394)	7,181
Auditors' fees	<u>2,400</u>	<u>2,400</u>

4. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	<u>24,681</u>	<u>25,613</u>

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The company had corporation tax losses carried forward at the year end of approximately £356,000 (2002 £369,000) for utilisation in future periods.

6. INTANGIBLE FIXED ASSETS

	Milk quota £
COST	
At 1 April 2002	72,488
Additions	78,139
At 31 March 2003	<u>150,627</u>
AMORTISATION	
At 1 April 2002	12,081
Charge for the year	11,546
At 31 March 2003	<u>23,627</u>
NET BOOK VALUE	
At 31 March 2003	<u>127,000</u>
<i>At 31 March 2002</i>	<u>60,407</u>

FOREMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

7. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant & machinery £	Broiler units £	Motor vehicles £	Asset under course of construct'n £	Total £
COST						
At 1 Apr 2002	201,388	838,350	118,166	132,345	—	1,290,249
Additions	—	15,300	—	13,250	89,916	118,466
Disposals	—	(5,300)	—	(53,021)	—	(58,321)
At 31 Mar 2003	201,388	848,350	118,166	92,574	89,916	1,350,394
DEPRECIATION						
At 1 Apr 2002	1,711	482,462	21,816	76,411	—	582,400
Charge for the year	856	55,462	3,854	11,280	—	71,452
On disposals	—	(3,856)	—	(28,960)	—	(32,816)
At 31 Mar 2003	2,567	534,068	25,670	58,731	—	621,036
NET BOOK VALUE						
At 31 Mar 2003	198,821	314,282	92,496	33,843	89,916	729,358
<i>At 31 Mar 2002</i>	<i>199,677</i>	<i>355,888</i>	<i>96,350</i>	<i>55,934</i>	<i>—</i>	<i>707,849</i>

Included in Freehold Land & Buildings is Freehold Land with a cost of £180,000 (2002 - £180,000) which is not being depreciated.

Hire purchase agreements

Included within the net book value of £729,358 is £53,087 (2002 - £85,531) 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 £12,589 (2002 - £22,503).

FOREMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

8. INVESTMENTS

	Dairy Herd £	Investments other than loans £	Total £
COST			
At 1 April 2002	152,647	4,208	156,855
Additions	<u>14,000</u>	<u>—</u>	<u>14,000</u>
At 31 March 2003	<u>166,647</u>	<u>4,208</u>	<u>170,855</u>
NET BOOK VALUE			
At 31 March 2003	<u>166,647</u>	<u>4,208</u>	<u>170,855</u>
At 31 March 2002	<u>152,647</u>	<u>4,208</u>	<u>156,855</u>

Listed investments

Listed investments having a net book value of £4,208 (2002 - £4,208) are held by the company and had a market value of £26,262 at the end of the year (2002 - £38,331).

9. DEBTORS

	2003 £	2002 £
Trade debtors	150,332	45,904
Directors loan account	4,032	285
VAT recoverable	<u>18,103</u>	<u>8,456</u>
	<u>172,467</u>	<u>54,645</u>

Details of the directors' loans are shown in the related parties note.

10. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	123,089	72,679
Trade creditors	104,487	50,083
Amounts owed to group undertakings	348,094	348,094
Other creditors including taxation:		
Hire purchase agreements	15,057	19,166
Other creditors	23,334	12,000
Accruals and deferred income	<u>33,101</u>	<u>29,021</u>
	<u>647,162</u>	<u>531,043</u>

FOREMORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

10. CREDITORS: Amounts falling due within one year *(continued)*

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

	2003	2002
	£	£
Bank loans and overdrafts	123,089	72,679
Hire purchase agreements	15,057	19,166
Accruals and deferred income	1,255	1,476
	<u>139,401</u>	<u>93,321</u>

11. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	677,444	669,082
Hire purchase agreements	18,950	34,007
Grant	7,112	8,367
M & O Hoddinott Loan	46,000	—
Other creditors	117,702	50,011
	<u>867,208</u>	<u>761,467</u>

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

	2003	2002
	£	£
Bank loans and overdrafts	677,444	669,082
Hire purchase agreements	18,950	34,007
Accruals and deferred income	7,112	8,367
	<u>703,506</u>	<u>711,456</u>

Included within creditors falling due after more than one year is an amount of £574,262 (2002 - £466,462) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

12. DEFERRED TAXATION

The elements of deferred taxation, which result in a nil balance at the end of the year, together with details of other amounts not provided for, are as follows

	2003		2002	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	14,110	—	16,621	—
Tax losses available	(14,110)	(53,530)	(16,621)	(58,596)
	<u>—</u>	<u>(53,530)</u>	<u>—</u>	<u>(58,596)</u>

FOREMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

13. RELATED PARTY TRANSACTIONS

The company is the wholly owned subsidiary of the parent company. The parent company is controlled by the director, P B Hoddinott, by virtue of his majority holding of the issued share capital of that company.

There is a balance owed to the parent company of £348,094 (2002 - £348,094). No interest is payable on this balance and there is no fixed repayment terms.

The director P B Hoddinott maintains a loan account with the company. As at the balance sheet date the loan account had a debit balance of £4,032 (2002 £285). The movement on the account of £3,747 represents net monies withdrawn from the company by the director in the year. The balance at the year end is the maximum overdrawn balance on the loan during the year. The loan is interest free and there are no fixed repayment terms.

There is also a loan of £49,500 (2002 £30,000) from Mrs J Hoddinott, the company secretary and wife of the director P B Hoddinott at the balance sheet date. There is no fixed date for repayment of this loan although the loan will not be recalled for at least one year from the balance sheet date. This loan carries interest at a rate of 6% per annum and interest of £2,520 (2002 £3,015) arose in the year on the loan.

During the year the company entered into a contract rearing programme with Stonemead Farm, a sole trade business run by the director P B Hoddinott. A total of £12,012 was paid for this contract rearing service and £8,081 was received for feed and straw supplied. There were no amounts outstanding at the balance sheet date.

During the year the company was advanced a loan of £46,000 from Messrs M & O Hoddinott, sons of the director P B Hoddinott. The balance outstanding at the year end is £46,000. This loan is unsecured, interest free and has no fixed repayment date, although the loan will not be recalled for at least one year from the balance sheet date.

14. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

FOREMORE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

15. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Balance brought forward	(247,225)	(160,928)
Retained profit/(accumulated loss) for the financial year	<u>1,117</u>	<u>(86,297)</u>
Balance carried forward	<u>(246,108)</u>	<u>(247,225)</u>

16. CAPITAL COMMITMENTS

At the balance sheet date the company had contracted to build two additional broiler units on the site adjacent to the existing units. The total cost to the company being £560,000.

17. POST BALANCE SHEET EVENTS

The company sold in Summer 2003 a pair of cottages for £291,000 (net) to part fund the construction of two new broiler units, the balance being financed by an agreed further bank loan. No tax liability is expected to arise on this fixed asset disposal and the broiler units are expected to commence production in September 2003.

18. NET LIABILITIES

The company has net liabilities of £246,008 (2002 £247,125) at the balance sheet date. In the opinion of the director the company remains a going concern, although it is reliant on the support of the bank in the form of loans and overdrafts. It is the director's view that the support of the bank will continue for at least the next 12 months on the basis that all loans and overdrafts are adequately secured on the assets of the company. In the director's opinion, this view is supported by the fact that the estimated disposal value of the assets held, particularly freehold land, is in excess of the carrying value.

19. ULTIMATE PARENT COMPANY

The company is a subsidiary of Worminster Farms Limited, a company registered in England, which is also the ultimate parent undertaking. The financial statements of the holding company are retained at this company's registered office.