

Co House

**Easton College Farms Limited**

**Directors' report and financial  
statements**

Registered number 2781399

31 July 2010



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## **Directors and advisers**

### **Directors**

R J Baines  
F Baugh (Vice Chairman)  
M Gamble  
J Hunter  
D C Lawrence  
C I H Mawson (Chairman)  
D Ramsay  
J Turner

### **Registered office**

Easton College  
Easton  
Norwich  
NR9 5DX

### **Statutory auditors**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **Solicitors**

Mills & Reeve LLP  
1 St James Court  
Whitefriars  
Norwich  
NR3 1RU

### **Bankers**

Lloyds TSB Bank plc  
3rd Floor  
25 Gresham Street  
London  
EC2V 7HN

## Directors' report

The directors present their annual report and financial statements for the year ended 31 July 2010

### Principal activity

The principal activity of the company is farming. Following a review of Easton College's farming operations, the directors decided to cease trading with effect from 31<sup>st</sup> October 2009 and to transfer the trade and assets to the parent undertaking, Easton College. For this reason they have not prepared the accounts on a going concern basis. No adjustments were necessary to the amounts at which the company's assets would have been included if these financial statements were provided on a going concern basis.

### Review of business

The loss for the financial year ended 31 July 2010 was £9,721.

### Proposed dividends and transfers to reserves

The directors do not recommend the payment of a dividend. The loss for the financial year ended 31 July 2010 of £9,721 will be taken to reserves.

### Directors

The directors of the company who held office during the year were as follows:

R J Baines	D C Lawrence
F Baugh (Vice Chairman)	C I H Mawson (Chairman)
M Gamble	D Ramsay
J Turner	J Hunter

### Directors' interests

None of the directors had any disclosable interests in the shares of the company at 31 July 2010 or at any time in the financial year.

### Taxation status

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988.

### Insurance of directors

The company's parent undertaking maintains insurance for the directors in respect of their duties as directors.

### Political and charitable contributions

The company made no political or charitable contributions during the year except as noted above.

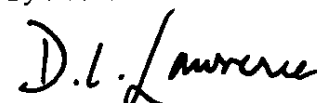
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
D C Lawrence  
Director

19 November 2010

## **Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 of the profit or loss of the company 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Independent auditors' report to the members of Easton College Farms Limited**

We have audited the financial statements of Easton College Farms Limited for the year ended 31<sup>st</sup> July 2010 set out on pages 5 to 14. These financial statements have not been prepared on a going concern basis, for the reason set out in note 1 to the financial statements, but on the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 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 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 members, 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 page 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st July 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

**A Argyle (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
*One Snowhill*  
*Snow Hill Queensway*  
*Birmingham B4 6GH*

**19 November 2010**

**Profit and loss account**  
*for the year ended 31 July 2010*

	<i>Note</i>	<b>2010</b> £	<b>2009</b> £
<b>Turnover</b>	<b>2</b>	<b>112,384</b>	407,066
Cost of sales		(91,956)	(234,844)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>20,428</b>	172,222
Administrative expenses		(30,619)	(166,442)
		<hr/>	<hr/>
<b>Operating (loss) / profit</b>	<b>6</b>	<b>(10,191)</b>	5,780
Interest receivable and similar income	<b>5</b>	470	1,447
		<hr/>	<hr/>
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(9,721)</b>	7,227
Tax on profit on ordinary activity	<b>7</b>	-	-
		<hr/>	<hr/>
<b>Retained (loss) / profit for the financial year</b>		<b>(9,721)</b>	7,227
		<hr/>	<hr/>

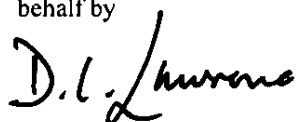
Due to the decision of the directors to cease trading, the results for the year relate to discontinued operations

There are no recognised gains or losses other than the results for the year and the previous year

**Balance sheet**  
at 31 July 2010

	Note	£	2010	£	£	2009	£
<b>Fixed assets</b>							
Intangible fixed assets	8	-	-	-	-	-	-
Tangible fixed assets	9	-	-	-	24,847	-	-
Investments	10	-	-	-	250	-	-
<b>Current assets</b>							
Stocks	11	-	-	-	275,125	-	-
Debtors	12	586,054	-	-	402,031	-	-
Cash at Bank and in hand		-	-	-	8,960	-	-
			586,054		686,116		
<b>Creditors: amounts falling due within one year</b>	13	-	-	-	(115,436)	-	-
<b>Net current assets</b>			586,054		570,680		
<b>Net assets</b>			586,054		595,777		
<b>Capital and reserves</b>							
Called up share capital	14	2	2	2	2	2	2
Profit and loss account	5	586,052	586,052	586,052	595,775	595,775	595,775
<b>Shareholders' funds</b>			586,054		595,777		

These financial statements were approved by the board of directors on 19 November 2010 and were signed on its behalf by



D Lawrence

Director



C I H Mawson

Director

The notes on pages 8 to 14 form part of these financial statements



**Reconciliation of movements in shareholders' funds**  
*for the year ended 31st July 2010*

	2010 £	2009 £
(Loss)/Profit for the financial year	(9,721)	7,227
Dividends on shares classified in shareholders' funds	-	-
Retained (loss)/profit	(9,721)	7,227
New share capital subscribed (net of issue costs)	-	-
Net addition to/(reduction in) shareholders' funds	(9,721)	7,227
Opening shareholders' funds	595,775	588,548
Closing shareholders' funds	586,054	595,775

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards. In previous years the financial statements have been prepared on a going concern basis. However, following a review of Easton College's farming operations the directors took the decision to cease trading on 31 October 2009. As they intend to make the company dormant following the settlement of the company's assets, the directors have not prepared the financial statements on a going concern basis. Based on financial forecasts prepared by the company, no adjustments were necessary to the amounts at which the net assets are included in these financial statements.

#### *Turnover*

Turnover which excludes value added tax and trade discounts, represents invoiced value of goods and services supplied.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to produce a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own publicly available consolidated financial statements.

#### *Intangible fixed assets*

Intangible fixed assets are included in the balance sheet at cost, and are depreciated over their expected useful economic life. The principal annual rates used are:

Milk Quota	20%
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#### *Tangible fixed assets*

Equipment inherited from the Local Education Authority is stated at its 1994 open market value. The company had adopted the transitional provisions of FRS 15 and has determined not to subsequently revalue its fixed assets from the amounts currently included within the financial statements.

Depreciation is calculated so as to write off the cost, or valuation, of fixed assets less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Farm equipment	15%
Motor vehicles	25%

## Notes (continued)

### 1 Accounting policies (continued)

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs.

#### *(i) Cattle*

Cows and dairy youngstock have been valued at estimated net realisable value which approximates to cost.

#### *(ii) Sheep*

Home bred sheep have been valued on a deemed cost of production basis which is lower than market value.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

#### **Government grants**

Set aside and arable area aid is credited to the profit and loss account on receipt.

### 2 Turnover

Turnover consists entirely of sales made in the United Kingdom.

### 3 Directors' emoluments

The directors received no remuneration from the company.

### 4 Staff numbers and costs

The average number of persons (including executive directors) employed by the company during the year was

	Number of employees	
	2010	2009
<i>By activity</i>		
Farming	2	2
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

## Notes (continued)

### 4 Staff numbers and costs

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	14,926	50,167
Social security costs	958	3,301
Other pension costs (see below)	1,782	6,748
	<u>17,666</u>	<u>60,216</u>

Details of the pension schemes of which the company's employees are entitled to be members are given in the financial statements of the parent undertaking (see note 15)

### 5 Interest receivable and similar income

	2010 £	2009 £
Income from fixed asset investments	470	1,012
Interest receivable	-	435
	<u>470</u>	<u>1,447</u>

### 6 (Loss)/Profit on ordinary activities

(Loss)/Profit on ordinary activities is stated

	2010 £	2009 £
<i>After crediting</i>		
Government grants	18,093	37,808
<i>After charging</i>		
Depreciation charge for the year		
Tangible owned fixed assets	2,081	6,324
Intangible fixed assets	-	4,130
Auditors' remuneration	-	1,825
Deed of Covenant	-	63,072
	<u></u>	<u></u>

## Notes (continued)

### 7 Taxation

	2010 £	2009 £
UK Corporation tax on profits of the year	-	-
Over/(under) provision in prior year	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for small companies. The differences are explained below.

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	(9,721)	7,227
Profit/(loss) on ordinary activities multiplied by the standard rate in the UK for small companies 21% (2009 20%)	(2,041)	1,445
Expenses not deductible for tax purposes	-	-
Accelerated capital allowances and other timing differences not provided	-	(1,445)
Adjustments to tax charge in respect of previous periods	-	-
Utilisation of tax losses brought forward	-	-
	<hr/>	<hr/>
Tax charge/(credit)	-	-
	<hr/>	<hr/>

### 8 Intangible fixed assets

	Milk Quota £
<b>Cost or valuation</b>	
At beginning and end of year	42,905
Transfer to parent undertaking	(42,905)
	<hr/>
At end of year	-
	<hr/>
<b>Depreciation</b>	
At beginning of year	42,905
Transfer to parent undertaking	(42,095)
	<hr/>
At end of year	-
	<hr/>
<b>Net book value</b>	
At 31 July 2010	Nil
	<hr/>
At 31 July 2009	Nil
	<hr/>

## Notes (continued)

### 9 Tangible fixed assets

	Farm equipment £
<b>Cost or valuation</b>	
At beginning of year	107,831
Additions	-
Transfer to parent undertaking	(107,831)
	<hr/>
At end of year	-
	<hr/>
<b>Depreciation</b>	
At beginning of year	82,984
Charge for year	2,081
Transfer to parent undertaking	(85,065)
	<hr/>
At end of year	-
	<hr/>
<b>Net book value</b>	
At 31 July 2010	-
	<hr/>
At 31 July 2009	24,847
	<hr/>
Cost or valuation at 31 July 2010 is represented by	
	£
Valuation in 1994	-
Cost	-
	<hr/>
	-
	<hr/>

The farm equipment was revalued in 1994 by the directors on the basis of estimated open market value

If equipment assets had not been revalued they would have been included at the following amounts

	2010 £	2009 £
Historical cost of farm equipment	-	105,181
Aggregate depreciation based on cost	-	80,335
	<hr/>	<hr/>
Net book value based on cost	-	24,846
	<hr/>	<hr/>

## Notes (continued)

### 10 Investments

	2010 £	2009 £
<i>Unlisted investments</i>		
At 1 August 2009	250	250
Additions	-	-
Transfer to parent undertaking	(250)	-
	<hr/>	<hr/>
At 31 July 2010	-	250
	<hr/>	<hr/>

### 11 Stocks

	2010 £	2009 £
Livestock	-	174,774
Cultivations	-	82,904
Consumables	-	10,354
Harvested crops	-	7,093
	<hr/>	<hr/>
	-	275,125
	<hr/>	<hr/>

### 12 Debtors

	2010 £	2009 £
<i>Amounts falling due within one year</i>		
Trade debtors	-	12,369
Amounts owed by parent undertaking and fellow subsidiary companies	586,054	366,896
Prepayments and accrued income	-	22,766
	<hr/>	<hr/>
	586,054	402,031
	<hr/>	<hr/>

### 13 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	-	12,527
Amounts owed to parent undertaking	-	63,072
Amounts owed to fellow subsidiaries	-	-
Accruals and deferred income	-	39,837
	<hr/>	<hr/>
	-	115,436
	<hr/>	<hr/>

## Notes (continued)

### 14 Called up equity share capital

	2010 £	2009 £
<i>Authorised</i>		
1,000 ordinary equity shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2 ordinary equity shares of £1 each	2	2
	<hr/>	<hr/>

### 15 Parent undertaking

The company is a wholly owned subsidiary of Easton College, incorporated under the Further and Higher Education Act 1992. According to the register maintained by the company, Easton College has a 100% interest in the share capital of the company. Copies of the financial statements of Easton College may be obtained from D Lawrence, Principal, Easton College, Easton, Norwich, NR9 5DX.

### 16 Related parties

In accordance with the exemption available under Paragraph 3(c) of FRS8, transactions with entities that are part of the Easton College group are not disclosed.