

FIELD FARM FRESH LIMITED  
ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
30th SEPTEMBER 2007

taylorcocks  
Chartered Accountants & Registered Auditors  
3 Acorn Business Centre  
Northarbour Road  
Cosham  
Portsmouth  
PO6 3TH

TUESDAY



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COMPANIES HOUSE

**FIELD FARM FRESH LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 30th SEPTEMBER 2007**

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**FIELD FARM FRESH LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO FIELD FARM FRESH LIMITED**

**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, together with the financial statements of Field Farm Fresh Limited for the year ended 30th September 2007 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

**OTHER INFORMATION**

On 14th March 2009 we reported as auditor to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

**EMPHASIS OF MATTER - GOING CONCERN**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,877,230 during the year ended 30th September 2008 and, at that date, the company's current liabilities exceeded its current assets by £236,502. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

*Taylor Cocks*

taylorcocks | chartered accountants  
chartered tax advisers

registered auditors: portsmouth

date:

14/03/09

**FIELD FARM FRESH LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**30th SEPTEMBER 2007**

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>	<b>3</b>		
Tangible assets		491,724	600,729
<b>CURRENT ASSETS</b>			
Stocks		465,254	741,201
Debtors		1,219,611	1,517,529
Cash at bank and in hand		876	-
		<u>1,685,741</u>	<u>2,258,730</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>2,837,463</u>	<u>2,780,058</u>
<b>NET CURRENT LIABILITIES</b>		(1,151,722)	(521,328)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(659,998)	79,401
<b>CREDITORS: Amounts falling due after more than one year</b>		<u>5,055,046</u>	<u>3,008,577</u>
		<u>(5,715,044)</u>	<u>(2,929,176)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	5	91	91
Share premium account		4,999,895	4,999,895
Profit and loss account		(10,715,030)	(7,929,162)
<b>DEFICIT</b>		<u>(5,715,044)</u>	<u>(2,929,176)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors and authorised for issue on 14th March 2009, and are signed on their behalf by:

  
 N J MORGAN

  
 D MORGAN

The notes on pages 3 to 5 form part of these abbreviated accounts.

**FIELD FARM FRESH LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30th SEPTEMBER 2007**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

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

Property Improvements	- 15% straight line
Plant & Machinery	- 10% straight line
Fixtures & Fittings	- 20% straight line
Motor Vehicles	- 25% straight line
Equipment	- 20% straight line

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**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.

**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.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except for gains on disposals of fixed assets which will be rolled over in to replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

## FIELD FARM FRESH LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30th SEPTEMBER 2007

#### 2. GOING CONCERN

The directors of the company and S. Morgan & Sons Ltd have carefully considered the funding requirements of the company for the foreseeable future, which relies on the continued support from its parent company S. Morgan & Sons Ltd in order to meet its current debts as they fall due.

The directors have contracted an independent firm of industry experts to produce projections forecasting the performance and cashflow of the company for the next 18 months. These projections show a substantial improvement to the profitability of the company, which take into account the expected higher market values of beef produce for the next couple of years, the results of cost savings and efficiencies that have been introduced subsequent to the 30th September 2008 and a significant increase in throughput.

The beef produce market is currently very buoyant with prices for beef produce in February 2009 circa 20% higher than in February 2008 and prices are forecasted to remain high. The company has been hampered during the year with a lack of working capital to enable it to increase its throughput of meat production to a level which would exceed its fixed costs, and thus was not able to take advantage of the growth in the market prices.

S. Morgan & Sons Ltd is seeking to refinance its business and raise working capital for the company, with which it can double its throughput of beef production and reduce its finance costs, enabling the company to generate the returns exceeding its fixed cost base. At the date of the signing of these accounts S. Morgan & Sons Ltd were in active negotiations with a number of banks to provide the banking facilities, but had no committed facilities agreed. The directors are confident that such refinancing will be obtained.

The directors of S. Morgan & Sons Ltd have considered the projections and expressed their willingness to continue to support the company for the foreseeable future. As a result the going concern basis of accounting has been adopted.

#### 3. FIXED ASSETS

	Tangible Assets £
<b>COST</b>	
At 1st October 2006	1,158,379
Additions	38,597
<b>At 30th September 2007</b>	<b><u>1,196,976</u></b>
<b>DEPRECIATION</b>	
At 1st October 2006	557,650
Charge for year	147,602
<b>At 30th September 2007</b>	<b><u>705,252</u></b>
<b>NET BOOK VALUE</b>	
<b>At 30th September 2007</b>	<b><u>491,724</u></b>
At 30th September 2006	<u>600,729</u>

#### 4. RELATED PARTY TRANSACTIONS

During the year the company made purchases from S. Morgan & Sons Ltd totalling £10,159,583 (2006 - £10,606,044) and incurred rent totalling £84,000 (2006 - £84,000). At the balance sheet date the company owed S. Morgan & Sons Ltd £5,031,487 (2006 - £2,965,131), these amounts are included within Amounts owed to group undertakings.

**FIELD FARM FRESH LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 30th SEPTEMBER 2007**

**5. SHARE CAPITAL**

**Authorised share capital:**

	2007	2006
	£	£
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid:**

	2007		2006	
	No	£	No	£
Ordinary shares of £0.01 each	<u>9,091</u>	<u>91</u>	<u>9,091</u>	<u>91</u>

**6. ULTIMATE PARENT COMPANY**

The company is controlled by its parent company, S Morgan & Sons Limited, which holds 99% of the company's issued share capital.