

Appleby Farms Limited
Report and financial statements
for the year ended 31 December 2002

Registered Number 2027689



Appleby Farms Limited

Report and financial statements

for the year ended 31 December 2002

Contents

Directors and Advisors for the year ended 31 December 2002	1
Directors' report for the year ended 31 December 2002	2
Profit and loss account for the year ended 31 December 2002.....	3
Balance sheet as at 31 December 2002.....	4
Accounting policies	6
Notes to the financial statements for the year ended 31 December 2002	7
Detailed trading account for the year ended 31 December 2002.....	12
Accountants' report to the directors of Appleby Farms Limited on the financial statements for the year ended 31 December 2002.....	15

Appleby Farms Limited

Directors and Advisors for the year ended 31 December 2002

Executive directors

Lord St Oswald

Lady St Oswald

Secretary and registered office

Lord St Oswald

Nostell Estate Office

Nostell

WAKEFIELD

WF4 1QD

Accountants

PricewaterhouseCoopers LLP

Queen Victoria House

Guildhall Road

HULL

HU1 1HH

Solicitors

Currey & Co

21 Buckingham Gate

LONDON

SW1 6LS

Bankers

National Westminster Bank plc

14 Market Place

BRIGG

DN20 8EU

Appleby Farms Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company is that of farming.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend the payment of a dividend.

Directors and their interests

The directors and their interests in the shares of the company as at 31 December 2002, were:

	31 December 2001 and 2002 Ordinary Class 'A' shares of £1 each
Lord St Oswald	100,000
Lady St Oswald	-
	100,000

In accordance with the Articles of Association Lord St Oswald retires by rotation and, being eligible, offers himself for re-election.

Lord St Oswald's interest is as a result of a Settlement in favour of his issue of the ordinary share capital of the company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

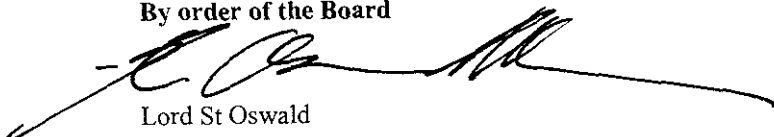
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed and the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that 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 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.

Small company exemption

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

By order of the Board



Lord St Oswald
Secretary

Appleby Farms Limited

Profit and loss account for the year ended 31 December 2002

	Note	2002 £	2001 £
Turnover		631,844	557,573
Cost of sales		(505,606)	(410,122)
Gross profit		126,238	147,451
Administrative expenses		(135,374)	(127,870)
Operating profit/(loss)	1	(9,136)	19,581
Interest receivable and similar income		15,818	22,961
Profit on ordinary activities before taxation		6,682	42,542
Taxation	2	468	(9,266)
Profit for the financial year	9	7,150	33,276

The above results are from continuing activities.

There is no material difference between the result disclosed in the profit and loss account above and the result on an unmodified historical cost basis and a note of historical cost profits and losses is not therefore included in these financial statements.

Appleby Farms Limited

Balance sheet as at 31 December 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	3		160,579		128,025
Current assets					
Stocks and work in progress		393,250		345,707	
Debtors	4	220,820		242,229	
Cash at bank and in hand		501,910		416,108	
		1,115,980		1,004,044	
Creditors: amounts falling due within one year	5	(270,452)		(185,502)	
Net current assets			845,528		818,542
Total assets less current liabilities			1,006,107		946,567
Creditors: amounts falling due within one year	6	53,550		-	
Provision for liabilities and charges	7	3,440	(56,990)	4,600	(4,600)
Net assets			949,117		941,967
Capital and reserves					
Called up share capital	8		100,050		100,050
Profit and loss account	9		849,067		841,917
Equity shareholders' funds			949,067		941,917
Non-equity shareholders' funds			50		50
Total shareholders' funds			949,117		941,967

Appleby Farms Limited

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act.

No notice has been deposited under Section 249B(2) in relation to the company's financial statements for the year ended 31 December 2002.

The directors acknowledge their responsibilities for:

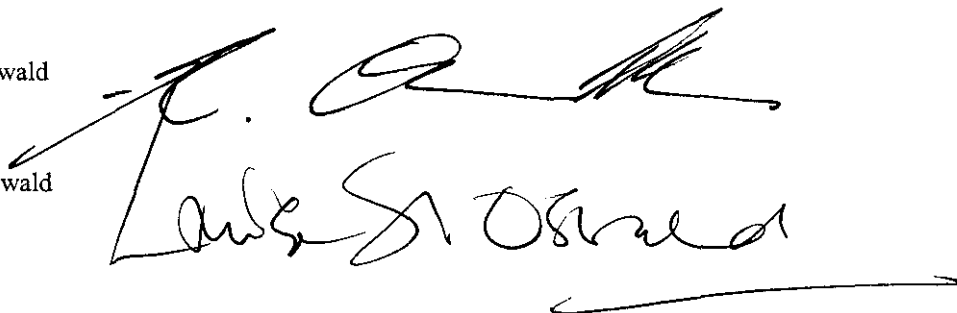
- (1) ensuring that the company keeps accounting records which comply with Section 221; and
- (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act relating to the financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for smaller entities (June 2002).

The financial statements on pages 3 to 11 were approved by the board of directors on 21ST MAY 2003 and were signed on its behalf by:

Lord St Oswald

Lady St Oswald
Directors

The block contains two handwritten signatures. The top signature is a stylized, cursive signature in dark ink. The bottom signature is a more legible, cursive signature that appears to read 'Lady St Oswald'. Both signatures are written in dark ink on a white background.

Appleby Farms Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover is recognised when the economic risks and rewards are transferred to the third party.

Fixed assets and depreciation

Fixed assets are recognised at cost. Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives.

The rates used are as follows:

Farm machinery	20%
Motor vehicles	25%
General equipment	20%
Leasehold property improvements	5%

Finance leases and hire purchase contracts

Fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease or contract in accordance with the straight line method.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation on the liability method for timing differences which are expected to reverse in the future. Deferred tax assets that arise as a result of timing differences are recognised when their future recovery is assessed as being more likely than not. Deferred tax assets and liabilities are not subject to discounting.

Agricultural subsidies

Grants due or received relating to the harvest in the financial year are accounted for on an accruals basis in relation to the proportion of the harvest sold pre year end or held in stock.

Appleby Farms Limited

Notes to the financial statements for the year ended 31 December 2002

1 Operating profit

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation is stated after crediting		
Profit on sale of tangible fixed assets	-	16,074
Subsidies receivable	145,463	121,825
and after charging		
Operating lease rentals		
Land	105,612	99,875
Plant and machinery	81,662	89,902
	187,274	189,777
Depreciation of tangible fixed assets		
Owned	65,813	47,875
Leasehold	1,340	1,339
	67,153	49,214
Loss on sale of tangible fixed assets	104	-

2 Taxation on profit/loss on ordinary activities

(a) Analysis of charge in year

	2002 £	2001 £
Current tax		
UK corporation tax on profit for the year (note 2(b))	870	7,700
Adjustment in respect of prior year	(178)	-
Total current tax	692	7,700
Deferred taxation		
Origination and reversal of timing differences	(1,160)	1,600
Adjustment in respect of prior years	-	(34)
Total deferred tax (see note 7)	(1,160)	1,566
Tax on profit on ordinary activities	(468)	9,266

Appleby Farms Limited

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002	2001
	£	£
Profit/(loss) on ordinary activities	6,682	42,542
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 30%)	2,005	12,763
Effects of		
Marginal relief	(668)	(1,276)
Expenses not deductible for tax purposes	-	-
Accelerated timing differences and other timing differences	(467)	(3,787)
Current tax charge for the year (see note 2(a))	870	7,700

3 Tangible fixed assets

	Leasehold property improvements	Farm machinery	Motor vehicles	General equipment	Total
	£	£	£	£	£
Cost					
1 January 2002	26,810	311,707	37,613	5,690	381,820
Additions	-	98,200	750	863	99,813
Disposals	-	(359)	(200)	(303)	(862)
31 December 2002	26,810	409,548	38,163	6,250	480,771
Depreciation					
1 January 2002	6,378	226,802	17,162	3,453	253,795
Charge for year	1,340	55,252	9,540	1,021	67,153
Disposals	-	(357)	(100)	(301)	(758)
31 December 2002	7,718	281,697	26,602	4,173	320,190
Net book value					
31 December 2002	19,092	127,851	11,561	2,077	160,579
31 December 2001	20,432	84,905	20,451	2,237	128,025

Appleby Farms Limited

4 Debtors

	2002	2001
	£	£
Trade debtors	164,278	170,966
Other debtors	56,542	71,263
	220,820	242,229

5 Creditors – Amounts falling due within one year

	2002	2001
	£	£
Bank overdraft	14,192	49,519
Trade creditors	80,962	74,026
Hire purchase	17,850	-
Corporation tax	870	7,700
Other creditors	156,578	54,257
	270,452	185,502

6 Creditors – Amounts falling due after one year

	2002	2001
	£	£
Hire purchase	53,550	-

7 Provision for liabilities and charges

	2002	Profit and loss (note 2(a))	2001
	£	£	£
Deferred taxation	3,440	(1,160)	4,600

	2002 Potential liability	2002 Provision made	2001 Potential liability	2001 Provision made
	£	£	£	£
Corporation tax deferred by				
Capital allowances	3,400	3,440	4,600	4,600

Appleby Farms Limited

8 Called up share capital

	31 December 2001 and 2002	31 December 2001 and 2002
	Class 'A'	Class 'B'
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	100,000	50

The 'A' ordinary shares are entitled to receive dividends and carry voting rights except in certain circumstances set out in the Articles of Association. They carry only 25% of the total voting rights, rank second behind the 'B' ordinary shares after payment of the nominal value of the 'B' shares in a winding up and are entitled to any surplus upon a winding up. They have been classed as equity.

The 'B' ordinary shares are not entitled to dividends, receive no voting rights except in certain circumstances set out in the Articles of Association when they receive 75% of the total voting rights, rank first in a winding up but do not share in any surplus upon a winding up. They have been classed as non-equity.

9 Profit and loss account

	2002
	£
1 January 2002	841,917
Profit for the year	7,150
31 December 2002	849,067

10 Contingent liabilities and financial commitments

Lease commitments

The company has a yearly tenancy of certain land and buildings. The tenancy may be terminated by giving not less than twelve calendar months notice in writing expiring at the end of any year of the tenancy. The rent payable is £99,000 per annum.

Appleby Farms Limited

11 Related party transactions

Nostell Home Farm and Nostell Estate are subject to the common control of Lord St Oswald, a director of the company.

During the year the company entered into the following transactions:

- Supply of contract services from Nostell Home Farm. Supplies amounting to £5,200 (2001 £5,200) were purchased from Nostell Home Farm.

Lord St Oswald has a beneficial interest in Appleby Estates. At 31 December 2002 a balance of £Nil (2001 £16,190) was due from Appleby Estates in respect of the Estate's contribution to the drainage works carried out by the company. This was included within "trade debtors".

In the directors' opinion the above transactions were on normal commercial terms.

12 Ultimate controlling party

Lord St Oswald is the controlling party by virtue of his controlling interest in the company's 'A' ordinary shares.