

Appleby Farms Limited
Report and financial statements
for the year ended 31 December 2003

Registered Number 2027689



Appleby Farms Limited

Report and financial statements

for the year ended 31 December 2003

Contents

Directors and Advisors for the year ended 31 December 2003	1
Directors' report for the year ended 31 December 2003	2
Profit and loss account for the year ended 31 December 2003.....	3
Balance sheet as at 31 December 2003.....	4
Accounting policies	6
Notes to the financial statements for the year ended 31 December 2003	7
Detailed trading account for the year ended 31 December 2003.....	12
Accountants' report to the directors of Appleby Farms Limited on the financial statements for the year ended 31 December 2003.....	15

Appleby Farms Limited

Directors and Advisors for the year ended 31 December 2003

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 2003

The directors present their report and the financial statements for the year ended 31 December 2003.

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 2003, were:

	31 December 2002 and 2003 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 are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

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 2003 and that applicable accounting standards have been followed.

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 2003

	Note	2003 £	2002 £
Turnover		646,642	631,844
Cost of sales		(523,344)	(505,606)
Gross profit		123,298	126,238
Administrative expenses		(139,274)	(135,374)
Operating loss	1	(15,976)	(9,136)
Interest receivable and similar income		16,586	15,818
Profit on ordinary activities before taxation		610	6,682
Taxation	2	1,082	468
Profit for the financial year	9	1,692	7,150

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 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	3		101,104		160,579
Current assets					
Stocks and work in progress		431,497		393,250	
Debtors	4	109,774		220,820	
Cash at bank and in hand		593,431		501,910	
		1,134,702		1,115,980	
Creditors: amounts falling due within one year	5	(249,297)		(270,452)	
Net current assets			885,405		845,528
Total assets less current liabilities			986,509		1,006,107
Creditors: amounts falling due after more than one year	6	35,700		53,550	
Provision for liabilities and charges	7	-	(35,700)	3,440	(56,990)
Net assets			950,809		949,117
Capital and reserves					
Called up share capital	8		100,050		100,050
Profit and loss account	9		850,759		849,067
Equity shareholders' funds			950,759		949,067
Non-equity shareholders' funds			50		50
Total shareholders' funds			950,809		949,117

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 2003.

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 (effective June 2002).

The financial statements on pages 3 to 11 were approved by the board of directors on 28th JUNE 04 and were signed on its behalf by:

Lord St Oswald



Lady St Oswald
Directors



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

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. A deferred tax asset is only recognised when its recoverability is more likely than not.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the 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.

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 2003

1 Operating loss

	2003 £	2002 £
Profit on ordinary activities before taxation is stated after crediting		
Subsidies receivable	112,425	145,463
and after charging		
Operating lease rentals		
Land	104,172	105,612
Plant and machinery	85,543	81,662
	189,715	187,274
Depreciation of tangible fixed assets		
Owned	61,557	65,813
Leasehold	2,070	1,340
	63,627	67,153
Loss on sale of tangible fixed assets	1	104

2 Taxation on profit on ordinary activities

(a) Analysis of charge in year

	2003 £	2002 £
Current tax		
UK corporation tax on profit for the year (note 2(b))	4,864	870
Adjustment in respect of prior year	(6)	(178)
Total current tax	4,858	692
Deferred taxation		
Origination and reversal of timing differences	(5,940)	(1,160)
Total deferred tax (see note 7)	(5,940)	(1,160)
Tax on profit on ordinary activities	(1,082)	(468)

Appleby Farms Limited

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2002 lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004	2003
	£	£
Profit/(loss) on ordinary activities	610	6,682
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002 30%)	183	2,005
Effects of		
Marginal relief	(183)	(668)
Accelerated timing differences and other timing differences	4,864	(467)
Current tax charge for the year (see note 2(a))	4,864	870

3 Tangible fixed assets

	Leasehold property improvements	Farm machinery	Motor vehicles	General equipment	Total
	£	£	£	£	£
Cost					
1 January 2003	26,810	409,548	38,163	6,250	480,771
Additions	-	4,151	-	-	4,151
Disposals	-	(194)	-	-	(194)
31 December 2003	26,810	413,505	38,163	6,250	484,728
Depreciation					
1 January 2003	7,718	281,697	26,602	4,173	320,190
Charge for year	1,341	55,579	5,688	1,019	63,627
Disposals	-	(193)	-	-	(193)
31 December 2003	9,059	337,083	32,290	5,192	383,624
Net book value					
31 December 2003	17,751	76,422	5,873	1,058	101,104
31 December 2002	19,092	127,851	11,561	2,077	160,579

Appleby Farms Limited

4 Debtors

	2003	2002
	£	£
Trade debtors	75,026	164,278
Other debtors	32,248	56,542
Deferred tax (note 7)	2,500	-
	109,774	220,820

The deferred tax is due after more than one year.

5 Creditors – Amounts falling due within one year

	2003	2002
	£	£
Bank overdraft	-	14,192
Trade creditors	49,002	80,962
Hire purchase	17,850	17,850
Corporation tax	4,864	870
Other creditors	177,581	156,578
	249,297	270,452

6 Creditors – Amounts falling due after one year

	2003	2002
	£	£
Hire purchase	35,700	53,550

7 Provision for liabilities and charges

	2003	Profit and loss (note 2(a))	2002
	£	£	£
Deferred taxation (asset)/liability	(2,500)	5,940	3,440

	2003 Potential asset/(liability)	2003 Provision made	2002 Potential liability	2002 Provision made
	£	£	£	£
Corporation tax deferred by				
Capital allowances (note 4)	2,500	2,500	(3,440)	(3,440)

Appleby Farms Limited

8 Called up share capital

	31 December 2002 and 2003	31 December 2002 and 2003
	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

	2003
	£
1 January 2003	849,067
Profit for the year	1,692
31 December 2003	850,759

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 is controlled by Lord St Oswald, a director of the company.

During the year the company entered into the following transactions:

- Administrative services amounting to £8,465 (2002 £5,200) were purchased from Nostell Home Farm.

Lord St Oswald has a beneficial interest in Appleby Estates. At 31 December 2003 a balance of £5,327 (2002 £Nil) 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.