

Appleby Farms Limited
Report and financial statements
for the year ended 31 December 2005

Registered Number 2027689



Appleby Farms Limited

Directors and Advisors for the year ended 31 December 2005

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 2005

The directors present their report and the financial statements for the year ended 31 December 2005.

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 4.

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 2005, were:

	31 December 2004 and 2005 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 in a Settlement in favour of his issue of the ordinary share capital of the company.

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 they have complied with the above requirements in preparing the financial statements.

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

Appleby Farms Limited

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

A handwritten signature in black ink, appearing to be 'L. St Oswald', written in a cursive style.

Appleby Farms Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover		610,628	648,762
Cost of sales		(348,593)	(463,058)
Gross profit		262,035	185,704
Administrative expenses		(153,676)	(129,309)
Operating profit	1	108,359	56,395
Profit on sale of fixed assets		90,143	-
Profit on ordinary activities before interest		198,502	56,395
Interest receivable and similar income		32,805	21,751
Profit on ordinary activities before taxation		231,307	78,146
Taxation	3	(44,033)	(14,975)
Profit for the financial year	10	187,274	63,171

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 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	4		28,463		77,952
Current assets					
Stocks and work in progress		328,586		388,675	
Debtors	5	202,240		103,687	
Cash at bank and in hand		757,047		696,184	
		1,287,873		1,188,546	
Creditors: amounts falling due within one year	6	(114,572)		(234,668)	
Net current assets			1,173,301		953,878
Total assets less current liabilities			1,201,764		1,031,830
Creditors: amounts falling due after more than one year	7	-		17,850	
Provision for liabilities and charges	8	510	(510)	-	(17,850)
Net assets			1,201,254		1,031,980
Capital and reserves					
Called up share capital	9		100,050		100,050
Profit and loss account	10		1,101,204		913,930
Equity shareholders' funds			1,201,204		1,013,930
Non-equity shareholders' funds			50		50
Total shareholders' funds			1,201,254		1,013,980

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 2005.

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.

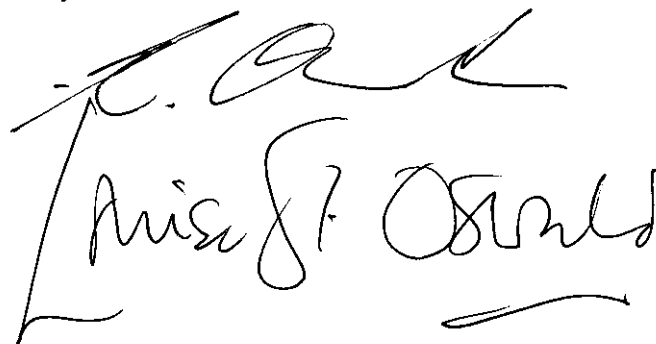
Appleby Farms Limited

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 January 2005).

The financial statements on pages 4 to 15 were approved by the board of directors on 17 July 2006, and were signed on its behalf by:

Lord St Oswald

Lady St Oswald
Directors

The image shows two handwritten signatures. The top signature is a stylized, cursive 'L. St Oswald'. The bottom signature is a more formal, cursive 'Lady St Oswald'.

Appleby Farms Limited

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

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

Fixed assets and depreciation

Fixed assets are recognised initially at cost less depreciation. 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 taxation has been recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Agricultural subsidies

Arable Area Aid income including set-a-side is recognised in the profit and loss account when the underlying crops are sold. For crops harvested but unsold at the year end date the relevant area aid set-a-side is treated as deferred income on the balance sheet.

The single farm payment which commenced on 1 January 2005 is recognised to the extent that the transfer of economic benefits is certain, and is apportioned over the scheme year to which it relates.

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Notes to the financial statements for the year ended 31 December 2005

1 Operating profit

	2005 £	2004 £
Operating profit is stated after crediting		
Subsidies receivable	247,454	152,310
Profit on sale of tangible fixed assets	90,143	514
and after charging		
Operating lease rentals		
Land	112,215	96,450
Plant and machinery	20,584	62,552
	132,799	159,002
Depreciation of tangible fixed assets		
Owned	5,044	40,562
Leasehold	1,340	1,340
	6,384	41,902

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK (2004: UK).

3 Taxation on profit on ordinary activities

(a) Analysis of charge in year

	2005 £	2004 £
Current tax		
UK corporation tax on profit for the year	39,470	16,363
Adjustment in respect of prior year	53	112
Total current tax (note 3(b))	39,523	16,475
Deferred taxation		
Origination and reversal of timing differences	4,510	(1,500)
Total deferred tax (see note 8)	4,510	(1,500)
Tax on profit on ordinary activities	44,033	14,975

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(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2004 lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities	231,307	78,146
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 30%)	69,392	23,444
Effects of		
Marginal relief	(25,372)	(8,581)
Accelerated timing differences and other timing differences	4,550	1,500
Adjustment in respect of prior year	53	112
Current tax charge for the year (see note 3(a))	39,523	16,475

4 Tangible fixed assets

	Leasehold property improvement £	Farm machinery £	Motor vehicles £	General equipment £	Total £
Cost					
1 January 2005	26,810	429,461	38,613	4,928	499,812
Additions	-	-	15,530	-	15,530
Disposals	-	(288,363)	(38,614)	(4,066)	(331,043)
31 December 2005	26,810	141,098	15,529	862	184,299
Depreciation					
1 January 2005	10,399	368,871	38,090	4,500	421,860
Charge for year	1,340	1,016	3,883	145	6,384
Disposals	-	(230,457)	(38,089)	(3,862)	(272,408)
31 December 2005	11,739	139,430	3,884	783	155,836
Net book value					
31 December 2005	15,071	1,668	11,645	79	28,463
31 December 2004	16,411	60,590	523	428	77,952

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5 Debtors

	2005	2004
	£	£
Trade debtors	59,055	63,259
Other debtors	143,185	36,428
Deferred tax (note 8)	-	4,000
	202,240	103,687

The deferred tax is due after more than one year.

6 Creditors – Amounts falling due within one year

	2005	2004
	£	£
Bank overdraft	-	14,074
Trade creditors	31,482	21,512
Hire purchase	-	17,850
Corporation tax	39,470	16,363
Other creditors	43,620	164,869
	114,572	234,668

7 Creditors – Amounts falling due after one year

	2005	2004
	£	£
Hire purchase	-	17,850

8 Provision for liabilities and charges

	2005	Profit and loss (note 3(a))	2004
	£	£	£
Deferred taxation liability/(asset)	510	4,510	(4,000)

	2005 Potential liability	2005 Liability recognised	2004 Potential asset	2004 Asset recognised
	£	£	£	£
Corporation tax deferred by				
Capital allowances (note 3)	510	510	4,000	4,000

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9 Called up share capital

	31 December 2004 and 2005 Class 'A'	31 December 2004 and 2005 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 full voting rights except in certain circumstances set out in the Articles of Association. Upon winding up 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 and are entitled to any surplus. 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. Upon winding up they receive 75% of the total voting rights, rank first but do not share in any surplus upon a winding up. They have been classed as non-equity.

10 Profit and loss account

	2005 £
1 January 2005	913,930
Profit for the year	187,274
31 December 2005	1,101,204

11 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 £101,240 (2004: £97,100) per annum.

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12 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 (2004 £8,465) were purchased from Nostell Home Farm.

Lord St Oswald has a beneficial interest in Appleby Estates. At 31 December 2005 a balance of £30 (2004 £17,155) was due from Nostell Home Farm. These amounts are included within 'trade debtors'.

At 31 December 2005 a balance of £9,946 (2004 £9,946) was due to Nostell Estate and a balance of £Nil (2004 £460) was due to Nostell Home Farm. These amounts are included within 'trade creditors'.

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

13 Ultimate controlling party

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