

Company Registration No. 1161422 (England and Wales)

AVON TYRRELL FARMS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003



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AVON TYRRELL FARMS LIMITED

COMPANY INFORMATION

Directors	The Lord Manners Hon J H R Manners
Secretary	The Lord Manners
Company number	1161422
Registered office	2 Temple Back East Temple Quay Bristol BS1 6EG
Accountants	Smith & Williamson Limited Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG
Business address	Ringwood Road Avon Christchurch Dorset BH23 7BG
Bankers	National Westminster Bank plc 11 High Street Ringwood Hampshire BH24 1BA
Solicitors	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG

AVON TYRRELL FARMS LIMITED

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AVON TYRRELL FARMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

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

Principal activities

The principal activity of the company during the year continued to be that of farming.

Directors

The following directors have held office since 1 April 2002:

The Lord Manners
Hon J H R Manners

Directors' interests

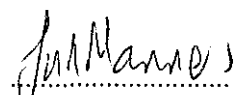
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2003	1 April 2002
The Lord Manners	4,000	4,000
Hon J H R Manners	16,001	16,001

The Hon J H R Manners is a trustee of The Lord Manners 1997 No 1 Settlement that holds 19,999 ordinary shares of £1.

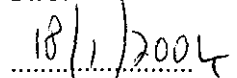
This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board:



Hon J H R Manners

Director



Date

AVON TYRRELL FARMS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF AVON TYRRELL FARMS LIMITED

As described on the balance sheet, you are responsible for the preparation of the accounts for the year ended 31 March 2003 set out on pages 3 to 14 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Smith & Williamson Limited

Smith & Williamson Limited

Accountants and tax advisors

22.1.04.....

Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire
SP1 1BG

AVON TYRRELL FARMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover		319,112	327,155
Cost of sales		(303,953)	(301,359)
Gross profit		15,159	25,796
Administrative expenses		(137,563)	(122,418)
Other operating income		75,504	71,934
Operating loss	2	(46,900)	(24,688)
Investment income	3	1,195	949
Other interest receivable and similar income		185	1
Interest payable and similar charges	4	(6,424)	(2,998)
Loss on ordinary activities before taxation		(51,944)	(26,736)
Tax on loss on ordinary activities	5	2,639	7,331
Loss on ordinary activities after taxation	15	(49,305)	(19,405)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AVON TYRRELL FARMS LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	£	2003 £	£	2002 £
Fixed assets					
Intangible assets	6		5,672		7,090
Tangible assets	7		221,314		183,403
Other fixed assets	8		40,029		38,521
			<u>267,015</u>		<u>229,014</u>
Current assets					
Stocks		114,725		105,691	
Debtors	9	88,730		52,074	
Cash at bank and in hand		389		122	
		<u>203,844</u>		<u>157,887</u>	
Creditors: amounts falling due within one year	10	(111,359)		(77,183)	
Net current assets			<u>92,485</u>		<u>80,704</u>
Total assets less current liabilities			<u>359,500</u>		<u>309,718</u>
Creditors: amounts falling due after more than one year	11		(114,961)		(13,235)
Provisions for liabilities and charges	12		<u>(1,326)</u>		<u>(3,965)</u>
			<u>243,213</u>		<u>292,518</u>
Capital and reserves					
Called up share capital	14		40,000		40,000
Share premium account	15		1,811		1,811
Profit and loss account	15		201,402		250,707
Shareholders' funds - equity interests	16		<u>243,213</u>		<u>292,518</u>

AVON TYRRELL FARMS LIMITED

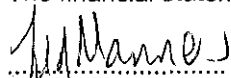
BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2003

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 18/1/2004...



Hon J H R Manners
Director

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Intangible fixed assets

Acquired milk quota is being amortised at 20% on a reducing balance basis.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Improvements to buildings	10% reducing balance
Implements	20% reducing balance
Dairy equipment	20% reducing balance
Tractors	25% reducing balance
Office equipment	20% reducing balance
Motor vehicles	25% reducing balance

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Stock

Stocks are valued by a professional valuer and are stated at the lower of cost and net realisable value in accordance with BEN 19.

Crops, produce in store and home produced livestock are valued at cost of production. The value of purchased livestock, fertilisers, sprays, seeds, feed and fuel is based on purchase price. The cost of cultivations have been calculated by the professional valuer.

1.8 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

2	Operating loss	2003	2002
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets	1,418	1,772
	Depreciation of tangible assets	45,767	44,728
	Loss on disposal of tangible assets	-	9,670
	Directors' emoluments	-	456
	and after crediting:		
	Profit on disposal of tangible assets	(7,602)	-
		<u></u>	<u></u>
3	Investment income	2003	2002
		£	£
	Income from fixed asset investments	1,195	949
		<u></u>	<u></u>
4	Interest payable	2003	2002
		£	£
	Included in interest payable is the following amount:		
	Hire purchase interest	2,746	2,677
		<u></u>	<u></u>

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	313
	Current tax charge	-	313
	Deferred tax		
	Deferred tax	(2,639)	(7,644)
		<u>(2,639)</u>	<u>(7,331)</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(51,944)</u>	<u>(26,736)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2002 : 10.00 %)	<u>(9,869)</u>	<u>(2,674)</u>
	Effects of:		
	Non deductible expenses	3,558	1,050
	Depreciation	7,520	5,617
	Capital allowances	(8,771)	(3,600)
	Tax losses	7,727	-
	Dividends and distributions received	(165)	(80)
		<u>9,869</u>	<u>2,987</u>
	Current tax charge	<u>-</u>	<u>313</u>

The company has estimated losses of £ 40,666 (2002 : £ nil) available for carry forward against future trading profits.

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

6 Intangible fixed assets

	Milk quota £
Cost	
At 1 April 2002 & at 31 March 2003	43,250
Amortisation	
At 1 April 2002	36,160
Charge for the year	1,418
At 31 March 2003	37,578
Net book value	
At 31 March 2003	5,672
At 31 March 2002	7,090

The company holds a total of 737,095 litres of milk quota with a market value at the balance sheet date of £82,555 (2002: £132,678).

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

7 Tangible fixed assets

	Improvements to buildings	Motor Vehicles	Tractors	Dairy and office equipment	Implements	Total
	£	£	£	£	£	£
Cost						
At 1 April 2002	151,900	12,269	123,015	34,093	150,665	471,942
Additions	23,707	-	-	28,886	31,931	84,524
Disposals	-	-	-	(9,071)	(1,000)	(10,071)
At 31 March 2003	175,607	12,269	123,015	53,908	181,596	546,395
Depreciation						
At 1 April 2002	102,363	8,837	58,696	14,393	104,250	288,539
On disposals	-	-	-	(8,276)	(949)	(9,225)
Charge for the year	7,324	858	16,080	6,364	15,141	45,767
At 31 March 2003	109,687	9,695	74,776	12,481	118,442	325,081
Net book value						
At 31 March 2003	65,920	2,574	48,239	41,427	63,154	221,314
At 31 March 2002	49,537	3,432	64,319	19,700	46,415	183,403

Included above are assets held under finance leases or hire purchase contracts as follows:

	Tractors	Dairy and office equipment	Implements	Total
	£	£	£	£
Net book values				
At 31 March 2003	17,250	9,034	16,538	42,822
At 31 March 2002	43,862	11,293	-	55,155
Depreciation charge for the year				
31 March 2003	5,750	2,259	3,713	11,722
31 March 2002	1,462	1,993	-	3,455

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

8 Other assets

	Dairy herd £
Cost	
At 1 April 2002	38,521
Additions	21,255
Transfers in	27,000
Disposals	(46,747)
At 31 March 2003	<u>40,029</u>

9 Debtors

	2003 £	2002 £
Trade debtors	83,146	46,172
Other debtors	5,584	5,902
	<u>88,730</u>	<u>52,074</u>

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	30,477	1,367
Net obligations under hire purchase contracts	16,047	17,407
Trade creditors	46,071	27,478
Taxation and social security	-	313
Other creditors	18,764	30,618
	<u>111,359</u>	<u>77,183</u>

Included within other creditors in 2002 were amounts due to The Lord Manners of £1,349 and The Hon J H R Manners of £20,000. Both loans have been repaid in full during the year ended 31 March 2003.

A mortgage for £150,000 has been taken out by the company during the year, against which a personal limited guarantee has been given by the Hon J H R Manners as security.

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

11 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	108,874	-
Net obligations under hire purchase contracts	6,087	13,235
	<u>114,961</u>	<u>13,235</u>
Analysis of loans		
Wholly repayable within five years	138,874	-
Included in current liabilities	(30,000)	-
	<u>108,874</u>	<u>-</u>
Net obligations under hire purchase contracts		
Repayable within one year	17,532	19,293
Repayable between one and five years	6,336	14,150
	<u>23,868</u>	<u>33,443</u>
Finance charges and interest allocated to future accounting periods	(1,734)	(2,801)
	<u>22,134</u>	<u>30,642</u>
Included in liabilities falling due within one year	(16,047)	(17,407)
	<u>6,087</u>	<u>13,235</u>

12 Provisions for liabilities and charges

	Deferred tax £
Balance at 1 April 2002	3,965
Profit and loss account	(2,639)
	<u>1,326</u>
Balance at 31 March 2003	<u>1,326</u>

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	9,053	3,965
Tax losses available	(7,727)	-
	<u>1,326</u>	<u>3,965</u>

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

13 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	-	2,671

14 Share capital

	2003 £	2002 £
Authorised		
50,000 Ordinary shares of £ 1 each	50,000	50,000
Allotted, called up and fully paid		
40,000 Ordinary shares of £ 1 each	40,000	40,000

15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2002	1,811	250,707
Retained loss for the year	-	(49,305)
Balance at 31 March 2003	1,811	201,402

16 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Loss for the financial year	(49,305)	(19,405)
Opening shareholders' funds	292,518	311,923
Closing shareholders' funds	243,213	292,518

17 Control

The ultimate controlling party is The Hon J H R Manners, a director of the company.

AVON TYRRELL FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

18 Related party transactions

The company has transactions with The Lord Manners Avon Tyrrell Estates and The Hon J H R Manners Avon Tyrrell Estates. Both The Lord Manners and The Hon J H R Manners are directors of the company.

The company paid rent to The Lord Manners of £7,488 (2002: £6,879).

The Hon J H R Manners paid the company contracting income of £864 (2002: £nil). The company paid rent of £25,044 (2002: £13,420) to The Hon J H R Manners in the year.