

J B Shropshire and Sons Limited

Financial statements

For the period ended 5 May 2007

REGISTRAR'S
COPY

Grant Thornton 



Company No. 3516726

Officers and professional advisers

Company registration number	3516726
Registered office	Hailey Farm Barway Ely Cambs CB7 5TZ
Directors	J B Shropshire D Thompson W L Forbes R K Mann (resigned 23-11-2006) K H E Petherick (resigned 7-12-2007) E Johnson
Secretary	D Thompson
Bankers	The Royal Bank of Scotland 62/63 Threadneedle Street PO Box 412 EC2R 8LA
Solicitors	Rustons & Lloyd 136 High Street Newmarket Suffolk CB8 8NN
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Kettering Parkway Kettering Venture Park Kettering NN15 6XR

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Report of the directors

The directors present their annual report together with the audited financial statements for the period ended 5 May 2007

Principal activities

The principal activity of the group is farming

Review of developments and future prospects

Business Review

The group made an operating profit of £1,330,906 (2006 £2,186,620) for the period. The directors expect the group to continue to trade profitably in the future

Key performance indicators

Financial	2007	2006
Turnover (year on year increase)	25%	23%
Return on Capital Employed	27%	62%
Debtor Days	64	38
Creditor Days	71	47
Gearing	56%	50%

In addition to the above, other KPI's, both financial and non financial, are used for management purposes

Financial Risk Management

The group uses various financial instruments including loans, cash and various items including trade debtors that arise directly from its operations. The main purpose of these instruments is to finance the companies ongoing operations and capital expenditure program. Their existence exposes the group to a number of financial risks, primarily interest rate and liquidity risk.

The groups exposure to interest rate and liquidity risk is limited to that associated with the loans disclosed in note 15. Our policy is to minimise the effect of market risk of changes in interest rates by fixing approximately 50% of groups funding, 2007 60% (2006 53%)

The groups exposure to credit risk lies principally with trade debtors. This is not considered a high risk as 58% (2006 68%) of the group's turnover is with G's Growers Limited, a cooperative with 26 active members within the UK and Spain, who via marketing agents trade with major supermarket multiples, processors and wholesale markets. The credit terms with G's Growers Limited is 30 days. Other customers credit terms are based on payment history and reviewed on a regular basis.

Dividends

The directors do not recommend the payment of a dividend

The directors and their interests in the shares of the company

The present membership of the Board is set out below follows

J B Shropshire
D Thompson
W L Forbes
R K Mann (resigned 23-11-2006)
K H E Petherick (resigned 7-12-2007)
E Johnson

The interests of the directors in the shares of the parent company are disclosed in those accounts

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss of the group 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

there is no relevant audit information of which the company's auditors are unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

BY ORDER OF THE BOARD



Secretary

Date 11-2-2008

Grant Thornton 

Report of the independent auditor to the members of J B Shropshire and Sons Limited

We have audited the group and company financial statements of J B Shropshire and Sons Limited for the period ended 5 May 2007 on page 9 to 24. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

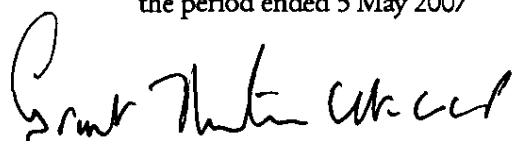
Report of the independent auditor to the members of J B Shropshire and Sons Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 5 May 2007 and of the group's profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the period ended 5 May 2007



REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Kettering

3rd March 2008

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The principal accounting policies of the company are set out below

Basis of consolidation

The group financial statements include the consolidation of the company and each of its subsidiary undertakings. All intra-group transactions have been eliminated on consolidation. In accordance with the provisions of section 230 of the Companies Act 1985, the company has not prepared its individual profit and loss account as part of these financial statements. The company's profit after tax for the year was £1,880,035 (2006 £245,352)

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. The combinations have been accounted for on an acquisition basis.

Turnover and profits

Turnover represents amounts derived from the provision of goods and services, arising in the United Kingdom, which fall within the group's ordinary activities after deduction of value added tax. The turnover and profits are entirely attributable to the group's main activity of farming.

Leases

Assets obtained under hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful economic lives. The finance leases are allocated over the period of the lease rentals in accordance with Statement of Standard Accounting Practice 21, account for finance leases and hire purchase.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Tangible fixed assets and Depreciation

Depreciation of tangible fixed assets is provided on the following basis:

Freehold property	land nil, buildings 10-20 years straight line on cost
Leasehold property improvements	10-20 years straight line on cost
Other plant and machinery	25% reducing balance and 3-10 years straight line on cost

Investments

Investments held as fixed assets are stated at cost less provisions for any impairment value.

Intangible fixed assets

Value of the tenancy has been fully amortised in the year.

Amortisation is provided on sugar beet quota over 5 years straight line on cost.

Amortisation is provided on single farm payment (SFP) entitlements over 6 years straight line on cost.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Contributions to pension schemes

The company operates a defined contribution pension scheme. Payments are charged to the profit and loss account as they accrue.

Consolidated profit and loss account

	Note	2007 £	2006 £
Turnover		26,644,222	21,369,282
Cost of sales		(25,953,250)	(18,729,025)
Gross profit		690,972	2,640,257
Administrative expenses		(472,719)	(1,575,833)
Other operating income		1,112,653	1,122,196
Operating profit	5	1,330,906	2,186,620
Dividends received		133	-
Interest payable	6	(408,982)	(314,352)
Interest receivable		252,278	547,248
Profit on ordinary activities before taxation		1,174,335	2,419,516
Tax on profit on ordinary activities	7	(358,687)	(1,039,505)
Retained profit for the financial period		815,648	1,380,011
Retained profit brought forward		4,617,286	3,237,275
Retained profit carried forward		5,432,934	4,617,286

There were no recognised gains or losses other than the profit for the financial period and preceding financial period. Accordingly no statement of total recognised gains and losses is provided.

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS PERIOD ENDED 5 MAY 2007

	Period to 5 May 2007 £	Period to 8 April 2006 £
Opening shareholders' funds	4,617,286	3,237,275
Retained profit for the period	815,648	1,380,011
Closing shareholder's funds	<u>5,432,934</u>	<u>4,617,286</u>

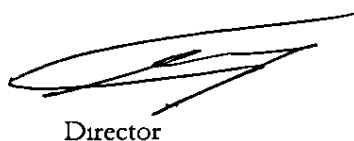
The accompanying accounting policies and notes form part of these financial statements.

Consolidated balance sheet

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	8	86,580	75,297
Tangible assets	9	6,856,868	7,086,320
Investments	10	2	2
		<u>6,943,450</u>	<u>7,161,619</u>
Current assets			
Stocks	11	2,539,341	2,265,515
Debtors	12	8,923,930	7,813,958
Cash at bank and in hand		379,372	807,291
		<u>11,831,031</u>	<u>10,886,764</u>
Creditors: amounts falling due within one year	13	<u>8,948,962</u>	<u>8,418,662</u>
Net current assets		<u>2,893,681</u>	<u>2,468,102</u>
Total assets less current liabilities		<u>9,837,131</u>	<u>9,629,721</u>
Creditors: amounts falling due after more than one year	14	(3,757,575)	(4,326,656)
Provisions for liabilities and charges	16	<u>(346,622)</u>	<u>(385,779)</u>
		<u>5,732,934</u>	<u>4,917,286</u>
Capital and reserves			
Called up share capital	17	300,000	300,000
Profit and loss account		5,432,934	4,617,286
Equity shareholders' funds		<u>5,732,934</u>	<u>4,917,286</u>

The financial statements were approved by the Board of Directors on 11-2-2008

Signed on behalf of the Board of Directors



Director

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Intangible assets		86,580	70,000
Tangible assets	9	2,380,190	2,550,869
Investments	10	2,316,188	2,216,190
		<u>4,782,958</u>	<u>4,837,059</u>
Current assets			
Stocks	11	1,319,771	987,909
Debtors	12		
Due within one year		4,295,535	5,492,455
Due after one year		1,000,000	1,000,000
Cash at bank and in hand		515,050	953,101
		<u>7,130,356</u>	<u>8,433,465</u>
Creditors: amounts falling due within one year	13	<u>4,107,811</u>	<u>5,787,174</u>
Net current assets		<u>3,022,545</u>	<u>2,646,291</u>
Total assets less current liabilities		7,805,504	7,483,350
Creditors: amounts falling due after more than one year	14	(3,688,986)	(5,231,396)
Provisions for liabilities and charges	16	<u>-</u>	<u>(15,473)</u>
		<u>4,116,518</u>	<u>2,236,481</u>
Capital and reserves			
Called up share capital	17	300,000	300,000
Profit and loss account		3,816,518	1,936,481
Equity shareholders' funds		<u>4,116,518</u>	<u>2,236,481</u>

The financial statements were approved by the Board of Directors on 11-2-2008

Signed on behalf of the Board of Directors



Director

The accompanying accounting policies and notes form part of these financial statements.

Consolidated cashflow statement

	Note	Period to 5 May 2007 £	Period to 8 April 2006 £
Net cash inflow from operating activities	1	2,021,713	3,577,615
Return on investments and servicing of finance			
Interest paid	(403,964)	(308,423)	
Hire purchase interest paid	(5,017)	(5,929)	
Interest received	252,278	547,248	
Dividends received	133	-	
Net cash outflow from returns on investments and servicing of finance		(156,570)	232,896
Taxation		(883,119)	(1,114,063)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(818,583)	(2,500,656)	
Receipts from sales of tangible fixed assets	376,742	558,755	
Net cash outflow from capital expenditure and financial investment		(441,841)	(1,941,901)
Acquisition and disposals			
Purchase of Intangible fixed assets	(20,244)	(70,000)	
Net cash inflow before financing		519,939	684,547
Financing			
Bank loan repayments	(632,410)	(3,277,201)	
Loan repayments received	-	-	
Capital element of hire purchase payments	(315,448)	(243,674)	
Net cash outflow from financing		(947,858)	(3,520,875)
(Decrease)/Increase in cash		(427,920)	(2,836,328)

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Reconciliation of operating profit to net cash inflow from operating activities

	Period to 5 May 2007 £	Period to 8 April 2006 £
Operating profit	1,330,906	2,186,620
Amortisation	8,961	1,130,298
Depreciation	1,081,812	985,389
(Profit)/loss on sale of fixed assets	(236,745)	(162,656)
(Increase)/decrease in stocks	(273,826)	(835,269)
(Increase) in debtors	(1,119,163)	(1,249,578)
Increase/decrease in creditors	1,229,768	1,522,811
Net cash inflow from operating activities	<u>2,021,713</u>	<u>3,577,615</u>

2 Analysis of net debt

	At 8 April 2006 £	Cash flow £	Other non cash movements £	At 5 May 2007 £
Cash at bank and in hand	807,291	(427,919)	-	379,372
Debt due after one year	(4,231,396)	542,410	-	(3,688,986)
Debt due within one year	(834,080)	94,903	-	(739,177)
Hire purchase contracts	(360,605)	315,449	(173,774)	(218,930)
Total	<u>(4,618,790)</u>	<u>524,843</u>	<u>(173,774)</u>	<u>(4,267,721)</u>

3 Reconciliation of net cash flow to movement in net debt

	Period to 5 May 2007 £	Period to 8 April 2006 £
(Decrease) in cash in the period	(427,919)	(2,836,328)
Cash outflow from change in debt	952,762	3,526,472
Movement in net debt in the year	524,843	690,144
New finance leases	(173,774)	(91,224)
Opening net debt	(4,618,790)	(5,217,710)
Closing net debt	<u>(4,267,721)</u>	<u>(4,618,790)</u>

4 Information regarding directors and employees

Directors emoluments

	Period to 5 May 2007 £	Period to 8 April 2006 £
Salaries	385,668	336,890
Pensions	13,437	10,995
	399,105	347,885

The directors Mr J B Shropshire and Mr D Thompson are also directors of the subsidiary companies, Riverfen Farms Limited, Stretham Farms Limited and Barway Farms Ltd. However, it is not practicable to allocate their remuneration between their services as directors of J B Shropshire & Sons Ltd and their services as directors to the subsidiaries.

Pension contributions were made on behalf of 4 (2006: 4) directors. The highest paid director in the period received emoluments totalling £108,017 (2006: £106,167) including £3,808 (2006: £3,233) pension contributions.

The average number of employees of the company during the year was

	Period to 5 May 2007 Number	Period to 8 April 2006 Number
Directors	7	7
Others	110	98
	117	105

Staff costs during the period (including directors)

	Period to 5 May 2007 £	Period to 8 April 2006 £
Wages and salaries	2,903,103	1,994,380
Social security costs	298,132	206,573
Pensions	58,577	40,559
	3,259,812	2,241,512

5 Operating profit (consolidated)

The operating profit is stated after charging/crediting

	Period to 5 May 07 £	Period to 8 Apr 06 £
Auditors' remuneration		
Audit services	48,616	39,935
Depreciation		
Owned assets	946,614	856,361
Leased assets	135,199	129,028
Rental under operating leases	154,000	154,000
Government grants received	(136,411)	(77,454)

6 Interest payable and similar charges

	Period to 5 May 2007 £	Period to 8 April 2006 £
Bank interest	219,033	242,228
Hire purchase interest	5,017	5,929
Other interest	184,932	66,195
	<u>408,982</u>	<u>314,352</u>

7 Tax on profit on ordinary activities

	Period to 5 May 2007 £	Period to 8 April 2006 £
Current taxation		
Corporation tax at 30% (2006 30%) based on the profit for the period	393,109	1,199,390
Adjustment in respect of prior periods	4,755	(20,338)
Total current tax	<u>397,864</u>	<u>1,179,052</u>
Deferred taxation		
Origination and reversal of timing differences	(36,473)	(132,391)
Adjustment in respect of prior years	(2,704)	(7,156)
	<u>358,687</u>	<u>1,039,505</u>

Tax on profit on ordinary activities (continued)

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 30%(2006 30%) for the reasons set out in the following reconciliation

	Period to 5 May 2007 %	Period to 8 April 2006 %
Standard tax rate for period as a percentage of profits	30	30
Capital allowances in excess of depreciation	(1)	6
Indexation on capital gain	5	-
Utilisation of tax losses	-	(1)
Amortisation not deductible for tax purposes	-	16
Chargeable gains	-	(1)
Prior year adjustment	-	(1)
Current tax for period as a percentage of profits	34	49

8 Intangible fixed assets

GROUP	Tenancy £	Sugar beet quota £	SFP entitlement £	Total £
Cost				
At 8 April 2006 and 5 May 2007	1,250,000	26,488	70,000	1,346,488
Additions	-	3,664	16,580	20,244
	<u>1,250,000</u>	<u>30,152</u>	<u>86,580</u>	<u>1,366,732</u>
Accumulated depreciation				
At 8 April 2006	1,250,000	21,191	-	1,271,191
Charge for year	-	8,961	-	8,961
At 5 May 2007	<u>1,250,000</u>	<u>30,152</u>	<u>-</u>	<u>1,280,152</u>
Net book amount at 5 May 2007	<u>-</u>	<u>-</u>	<u>86,580</u>	<u>86,580</u>
Net book amount at 8 April 2006	<u>-</u>	<u>5,297</u>	<u>70,000</u>	<u>75,297</u>

9 Tangible fixed assets

GROUP	Freehold property £	Leasehold property improvements £	Plant and machinery £	Total £
Cost				
At 9 April 2006	3,433,674	1,585,887	5,831,096	10,850,657
Additions in period	4,100	103,784	884,473	992,357
Disposals	(79,014)	-	(137,787)	(216,801)
At 5 May 2007	<u>3,358,760</u>	<u>1,689,671</u>	<u>6,577,782</u>	<u>11,626,213</u>
Depreciation				
At 9 April 2006	69,866	205,880	3,488,591	3,764,337
Charge for the period	100,441	66,184	915,187	1,081,812
Disposals	(12,150)	-	(64,654)	(76,804)
At 5 May 2007	<u>158,157</u>	<u>272,064</u>	<u>4,339,124</u>	<u>4,769,345</u>
Net book value				
At 5 May 2007	<u>3,200,603</u>	<u>1,417,607</u>	<u>2,238,658</u>	<u>6,856,868</u>
At 8 April 2006	<u>3,363,808</u>	<u>1,380,007</u>	<u>2,342,505</u>	<u>7,086,320</u>

The net book value of assets under hire purchase agreements is £423,463 (2006 £634,808)

COMPANY	Freehold property £	Plant and machinery £	Total £
Cost			
At 9 April 2006	2,579,385	61,904	2,641,289
Additions in period	4,100	1,595	5,695
Disposals	(79,014)	-	(79,014)
At 5 May 2007	<u>2,504,471</u>	<u>63,499</u>	<u>2,567,970</u>
Depreciation			
At 9 April 2006	43,490	46,930	90,420
Transfer			
Charge for the period	100,441	9,069	109,510
Disposals	(12,150)	-	(12,150)
At 5 May 2007	<u>131,781</u>	<u>55,999</u>	<u>187,780</u>
Net book value			
At 5 May 2007	<u>2,372,690</u>	<u>7,500</u>	<u>2,380,190</u>
At 8 April 2006	<u>2,535,895</u>	<u>14,974</u>	<u>2,550,869</u>

The net book value of assets held under hire purchase agreements is £Nil (2006 £149,045)

10 Investments held as fixed assets

		Shares in unlisted investments			
GROUP		£			
Cost					
At 8 April 2006 and 5 May 2007		<u>2</u>			
COMPANY	Shares in Stretham Farms Limited £	Shares in Riverfen Farms Limited £	Shares in Barway Farms Limited £	Shares in G's Growers Limited £	Total £
Cost					
At 9 April 2006	100,157	8,624,464	185	1	8,742,807
Additions in period	-	-	99,999	-	99,999
At 5 May 2007	<u>100,157</u>	<u>8,624,464</u>	<u>100,184</u>	<u>1</u>	<u>8,842,806</u>
Provision					
At 10 April 2005	-	6,508,618	-	-	6,508,618
Charge for the period	-	-	-	-	-
At 5 May 2007	<u>-</u>	<u>6,508,618</u>	<u>-</u>	<u>-</u>	<u>6,508,618</u>
Net book value					
At 5 May 2007	<u>100,157</u>	<u>2,115,846</u>	<u>100,184</u>	<u>1</u>	<u>2,316,188</u>
At 8 April 2006	100,157	2,115,846	185	1	2,216,189

Riverfen Farms Limited is incorporated in England and Wales and is 100% owned. Its principal activity is farming.

Stretham Farms Limited is incorporated in England and Wales and is 100% owned. Its principal activity is contract farming.

Barway Farms Limited is incorporated in England and Wales and is 100% owned. Its principal activity is contract farming.

11 Stocks

	GROUP		COMPANY	
	5 May 2007 £	8 April 2006 £	5 May 2007 £	8 April 2006 £
Finished goods	895,921	1,101,734	96,935	359,687
Work in progress	1,254,431	1,030,216	1,222,836	628,222
Raw materials and consumables	388,989	133,565	-	-
	<u>2,539,341</u>	<u>2,265,515</u>	<u>1,319,771</u>	<u>987,909</u>

12 Debtors

	GROUP		COMPANY	
	5 May 2007	8 April 2006	5 May 2007	8 April 2006
	£	£	£	£
Due within one year				
Trade debtors	5,217,205	3,580,142	688,372	1,601,482
Amounts owed by related parties	-	1,719,000	-	1,719,000
Amounts owed by subsidiary undertaking	-	-	1,234,643	1,314,048
Corporation tax	11,612	20,802	11,612	20,802
Other debtors	1,510,427	1,610,249	599,012	385,458
Prepayments and accrued income	2,184,686	883,765	1,761,896	451,665
	8,923,930	7,813,958	4,295,535	5,492,455
Due after one year				
Amounts owed by subsidiary undertaking	-	-	1,000,000	1,000,000

13 Creditors: amounts falling due within one year

	GROUP		COMPANY	
	5 May 2007	8 April 2006	5 May 2007	8 April 2006
	£	£	£	£
Bank loans	388,355	478,355	388,355	478,355
Obligations under hire purchase contracts	150,341	265,345	-	59,737
Other loans	250,000	250,000	250,000	250,000
Trade creditors	6,192,049	4,145,649	2,205,633	1,864,427
Amounts owed to J B Shropshire Farming	100,822	105,725	100,822	105,725
Amounts owed to subsidiary undertakings	-	-	495,160	1,575,845
Corporation tax	144,935	639,399	-	203,103
Group relief	-	-	-	23,391
Other tax and social security	128,588	71,378	11,389	11,688
Other creditors	1,380,328	614,352	442,908	716,230
Accruals	213,544	1,848,459	213,544	498,673
	8,948,962	8,418,662	4,107,811	5,787,174

14 Creditors: amounts falling due after more than one year

	GROUP		COMPANY	
	5 May 2007 £	8 April 2006 £	5 May 2007 £	8 April 2006 £
Bank loans	2,438,986	2,731,396	2,438,986	2,731,396
Other loans	250,000	500,000	250,000	500,000
Amounts owed to JBS Farming	1,000,000	1,000,000	1,000,000	1,000,000
Amounts owed to subsidiary undertakings	-	-	-	1,000,000
Obligations under hire purchase contracts	68,589	95,260	-	-
	<u>3,757,575</u>	<u>4,326,656</u>	<u>3,688,986</u>	<u>5,231,396</u>

15 Borrowings

	GROUP		COMPANY	
	5 May 2007	8 April 2006	5 May 2007	8 April 2006
	£	£	£	£
Bank loans and overdrafts	2,827,341	3,209,751	2,827,341	3,209,751
Other loans	500,000	750,000	500,000	750,000
Obligations under hire purchase contracts	218,930	360,605	-	59,737
Loan from JBS Farming	1,000,000	1,000,000	1,000,000	1,000,000
Loan from subsidiary undertakings	-	-	-	1,000,000
	4,546,271	5,320,356	4,327,342	6,019,488
Less amounts falling due within one year	788,696	993,700	638,355	788,092
	3,757,575	4,326,656	3,688,986	5,231,396
Analysis of loan repayments				
Bank loans and overdrafts				
In one year or less or on demand	388,355	478,355	388,355	478,355
In more than one year but not more than two years	388,355	478,355	388,355	478,355
In more than two years but not more than five years	1,265,064	1,435,065	1,265,064	1,435,065
In more than five years	785,567	817,976	785,567	817,976
Obligations under hire purchase contracts				
In one year or less or on demand	150,341	265,345	-	59,737
In more than one year but not more than two years	63,541	87,202	-	-
In more than two years but not more than five years	5,048	8,058	-	-
Loan from subsidiary undertakings				
In more than one year but not more than two years	-	-	-	1,000,000
Loan from JBS Farming				
In more than one year but not more than two years	1,000,000	1,000,000	1,000,000	1,000,000
Other loans				
In one year or less or on demand	250,000	250,000	250,000	250,000
In more than one year but not more than two years	250,000	250,000	250,000	250,000
In more than two years but not more than five years	-	250,000	-	250,000
	4,546,271	5,320,356	4,327,341	6,019,488

There is a fixed charge over freehold land amounting to 20.35 hectares as security for borrowing by G's Growers Limited a company in which the director, Mr J B Shropshire is also a director. At 5 May 2007 the amount outstanding on the loan was £875,000 (2006 £1,925,000)

Borrowings continued

The company has the following loans

- Bank loan 1 repayable in 40 quarterly instalments of £56,250 (BBR plus 1 125%) The loan is secured on land and buildings owned by the group and Mr J B Shropshire
- Bank loan 2 repayable in 39 quarterly instalments (Fixed) The loan is secured on land and buildings owned by the group and Mr J B Shropshire
- The interest free loan from Mr J B Thompson is repayable in six annual instalments of £250,000 beginning 1 October 2003 Mr J B Thompson was a director of the company's subsidiary, Riverfen Farms Limited (formerly Henry Thompson (Littleport) Farms Limited), until 19 December 2002

The balance outstanding as at 5 May 2007 on the loans were as follows

	5 May 2007 £	8 April 2006 £
Bank loan 1	1,293,750	1,518,750
Bank loan 2	1,533,591	1,691,000
Loan from Mr J B Thompson	<u>500,000</u>	<u>750,000</u>

The company has entered into an interest rate swap on loans to the value of £1,759,693 which is due to mature on 26 May 2014 The fair value of the interest rate swap at the year end was £72,444

16 Provisions for liabilities and charges

Deferred taxation

	Group £	Company £
Movement in period		
At 9 April 2006	385,779	15,473
Charge/(credit) for period	<u>(39,157)</u>	<u>(15,473)</u>
At 5 May 2007	<u>346,622</u>	<u>-</u>

The amounts of deferred tax provided in the accounts are as follows

	Group Provided		Company Provided	
	5 May 2007 £	8 April 2006 £	5 May 2007 £	8 April 2006 £
Capital allowances in excess of depreciation	<u>346,622</u>	<u>385,779</u>	<u>-</u>	<u>15,473</u>

The company had an unprovided deferred tax asset of £11,500 at 5 May 2007 (2006 £nil) A deferred tax asset has not been recognised as the directors cannot say with reasonable certainty that it will be recovered

17 Called up share capital

	5 May 2007	8 April 2006
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
300,000 Ordinary share of £1	300,000	300,000

18 Financial liabilities

The group is committed to pay £1,165,210 (2006 £1,151,366) for land rents under informal leases in the next financial period

19 Related party transactions

The company has taken advantage of the exemption from reporting transactions with other group companies conferred by Financial Reporting Standard No 8 on the ground that it is a parent undertaking which publishes consolidated accounts

The related parties of the group during the period were

- Mablelame Limited and its subsidiaries - companies in which Mr J B Shropshire is a director
- Laneguard Limited - a company in which Mr J B Shropshire is a director
- G S Shropshire & Sons - a partnership in which Mr J B Shropshire is a partner
- JBS Farming - J B Shropshire's sole trading farming business
- A group headed by G S Shropshire Holdings Limited - a company in which Mr J B Shropshire is a director
- G's Growers Limited - a company in which Mr J B Shropshire is a director

The transactions during the period with these parties and the balances outstanding with these businesses are

	2007	2006
	£	£
Total sales	22,388,033	19,290,788
Total purchases	13,755,325	9,649,158
Sale of fixed assets	19,924	81,900
Purchase of fixed assets	23,800	2,325
Interest paid	167,302	106,848
Interest received	229,913	219,248
Balances included within trade debtors	5,032,871	3,439,238
Other balances included in debtors	935,738	2,562,380
Balances included within trade creditors	4,047,918	3,032,827
Other balances included in creditors	1,119,296	1,105,725

Included in sales and purchases are transactions which have arisen due to group purchasing policies

20 Contingent liabilities

The company has contingent liabilities in respect of an ultimate composite guarantee given to The Royal Bank of Scotland PLC on the bank indebtedness of Barway Farms Ltd, Riverfen Farms Ltd and J B Shropshire and Sons Ltd. No provision has however been made in these accounts as no liability is expected to arise. At 5 May 2007 the total borrowings outstanding were £2,850,434 (2006 £3,358,058). However the net cash at bank within the group was £720,581 (2006 £2,850,434).

21 Ultimate controlling party

The immediate and ultimate controlling party is Mr J B Shropshire.