

Financial statements J B Shropshire & Sons Limited

For the period ended 1 May 2010

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Company No. 3516726

Company information

Company registration number: 3516726

Registered office: Hailey Farm
Barway
ELY
Cambridgeshire
CB7 5TZ

Directors: J B Shropshire
D Thompson

Secretary: D Thompson

Bankers: The Royal Bank of Scotland PLC
62/63 Threadneedle Street
PO Box 412
LONDON
EC2R 8LA

Solicitors: Rustons & Lloyd
136 High Street
NEWMARKET
Suffolk
CB8 8NN

Auditor: Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Grant Thornton House
Kettering Parkway
Kettering Venture Park
KETTERING
Northants
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 1 May 2010

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 £3,909,360 (2009 £2,460,875) for the period. The directors expect the group to continue to trade profitably in the future

Key performance indicators

Financial	2010	2009
Turnover (year on year increase)	2%	22%
Debtor Days	42	35
Creditor Days	60	59
Debt to equity ratio	38%	47%

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

Non financial

Maintaining health and safety standards across the group is seen as a key issue by the directors. The group continues to invest in health and welfare of its employees and customers

Energy consumption and pollution controls are key measures. The group is in the process of improving energy efficiency and reducing any pollution risk

Financial Risk Management

The group uses various financial instruments including loans, cash, overdrafts 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 credit risk

Interest rate risk

The group's 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 the rate of 50% of the group's funding (2009 29%) excluding the £3,000,000 loan drawn down on the 1 May 2008. An interest rate swap has been used during the period to reduce the group's interest rate exposure

Review of developments and future prospects (continued)

Credit risk

The group's exposure to credit risk lies principally with trade debtors. This is not considered a high risk as 45% (2009 45%) 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 28 days. Other customers' credit terms are based on payment history and reviewed on a regular basis.

Post balance sheet event

On 1 August 2010 J B Shropshire & Sons Limited increased its share capital holding in Fenlander Limited from 47% to 100% for an amount of £106,000.

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group. This is achieved through consultations with employee representatives.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Dividends

A dividend of £2,000,000 has been declared during the period (2009 £nil).

Directors

The present membership of the Board is set out below, both directors served throughout the period.

J B Shropshire
D Thompson

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent

Statement of directors' responsibilities (continued)

- state whether applicable UK 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 adequate 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 2006. 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



D Thompson
Secretary

7 September 2010



Independent Auditor's Report to the Members of J B Shropshire & Sons Limited (registered number 3516726)

We have audited the financial statements of J B Shropshire & Sons Limited for the period ended 1 May 2010 which comprise the principal accounting policies, the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 1 May 2010 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Members of
J B Shropshire & Sons Limited
(registered number 3516726)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink that reads "Grant Thornton UK Ltd." followed by a stylized signature.

John Corbishley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Registered Auditor, Chartered Accountants
Kettering

8 September 2010

Principal accounting policies

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 408 of the Companies Act 2006, the company has not prepared its individual profit and loss account as part of these financial statements. The company's profit after tax (inclusive of a dividend received of £160,000 (2009 £1,168,922)) for the year was £1,196,456 (2009 £1,462,181)

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.

Associates

Group

Investments in associated undertakings are carried in the consolidated balance sheet at the group's share of their net assets at the date of acquisition and of their post-acquisition retained profits or losses together with any goodwill arising on the acquisition, net of amortisation. The investor's share of the results is included within the consolidated profit and loss account.

When the group's share of losses in an associate equals or exceeds its interest in the undertaking, the group continues to recognise those losses until an irrecoverable event occurs that marks the investor's irreversible withdrawal from its investee as an associate.

Company

The company balance sheet shows the investment in associates at cost less amounts written off.

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 shown in the profit and loss account represents total amounts invoiced during the period, to retail, wholesale, processing and other customers. 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 proportion to the capital element outstanding.

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	10-25 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

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

Amortisation is provided on single farm payment (SFP) entitlements over 8 years ending in 2012 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 crystallize 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.

Government grants

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Single payment

Single payments are receivable on an annual basis. The annual payment only becomes receivable once the occupation period has been completed. Once the occupation period is completed, the income is recognised.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Consolidated profit and loss account

	Note	Period to 1 May 2010 £	Period to 2 May 2009 (as restated) £
Turnover		65,049,826	63,540,673
Cost of sales		<u>61,192,627</u>	<u>60,732,401</u>
Gross profit		3,857,199	2,808,272
Administrative expenses		1,232,441	1,246,621
Operating income		<u>(1,284,602)</u>	<u>(899,224)</u>
Operating profit	2	3,909,360	2,460,875
Share of operating profit of associate		(79,441)	(99,639)
Dividends received		(296)	(129)
Interest payable	4	213,227	550,521
Interest payable - associate		79,841	86,518
Interest receivable		<u>(221,248)</u>	<u>(347,188)</u>
Profit on ordinary activities before taxation		3,917,277	2,270,792
Tax on profit on ordinary activities	5	1,111,020	844,513
Tax on profit on ordinary activities of associate		<u>-</u>	<u>9,062</u>
Profit for the financial period		2,806,257	1,417,217
Minority interests	20	<u>217,924</u>	<u>107,815</u>
Retained profit for the financial period	19	<u>2,588,333</u>	<u>1,309,402</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the period as set out above

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

Consolidated balance sheet

	Note	£	1 May 2010 £	£	2 May 2009 £
Fixed assets					
Intangible assets	8		61,273		81,697
Tangible assets	9		11,814,619		9,971,914
Other investments	10		228,011		235,933
Associate					
- loans to associate		1,150,000		1,400,000	
- share of gross assets		1,697,370		2,384,551	
- share of gross liabilities		(1,693,711)	1,153,659	(2,380,492)	1,404,059
			13,257,562		11,693,603
Current assets					
Stocks	11	4,700,053		4,484,964	
Debtors	12	7,410,807		6,073,965	
Cash at bank and in hand		1,389,680		2,933,191	
		13,500,540		13,492,120	
Creditors: amounts falling due within one year	13	(11,823,943)		(11,850,098)	
Net current assets			1,676,597		1,642,022
Total assets less current liabilities			14,934,159		13,335,625
Creditors: amounts falling due after more than one year	14	(4,036,658)		(5,040,806)	
Provisions for liabilities	16	(149,822)		(313,397)	
			10,747,679		7,981,422
Capital and reserves					
Called up share capital	18	2,300,000		300,000	
Profit and loss account	19	8,131,940		7,543,607	
Shareholders' funds	21	10,431,940		7,843,607	
Minority interests	20	315,739		137,815	
			10,747,679		7,981,422

These financial statements were approved and authorised for issue by the directors on 7 September 2010 and are signed on their behalf by



J B Shropshire
Director

Registration number 3516726

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

Balance sheet

	Note	1 May 2010 £	2 May 2009 £
Fixed assets			
Intangible assets	8	61,273	81,697
Tangible assets	9	2,197,134	2,496,633
Investments in subsidiaries	10	2,429,341	2,510,341
Investments in associate	10	94,000	94,000
Other investments	10	228,010	235,932
		<u>5,009,758</u>	<u>5,418,603</u>
Current assets			
Stocks	11	2,520,482	2,157,683
Debtors			
Due within one year	12	2,626,283	2,244,252
Due after one year	12	5,600,000	3,000,000
Cash at bank and in hand		1,210,686	2,790,264
		<u>11,957,451</u>	<u>10,192,199</u>
Creditors: amounts falling due within one year	13	<u>(6,206,239)</u>	<u>(4,888,773)</u>
Net current assets		<u>5,751,212</u>	<u>5,303,426</u>
Total assets less current liabilities		10,760,970	10,722,029
Creditors: amounts falling due after more than one year	14	<u>(3,822,268)</u>	<u>(4,979,783)</u>
		<u><u>6,938,702</u></u>	<u><u>5,742,246</u></u>
Capital and reserves			
Called up share capital	18	2,300,000	300,000
Profit and loss account	19	4,638,702	5,442,246
Shareholders' funds	21	<u><u>6,938,702</u></u>	<u><u>5,742,246</u></u>

These financial statements were approved and authorised for issue by the directors on 7 September 2010 and are signed on their behalf by



J B Shropshire
 Director

Registration number 3516726

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

Consolidated cashflow statement

	Note	Period to 1 May 2010 £	Period to 2 May 2009 £
Net cash inflow from operating activities	22	4,357,087	6,924,339
Return on investments and servicing of finance			
Interest paid		(203,991)	(547,321)
Hire purchase interest paid		(9,236)	(3,200)
Interest received		221,248	347,188
Dividends paid		(2,000,000)	-
Dividends paid to minority interest		(40,000)	-
Dividends received		296	129
Net cash outflow from returns on investments and servicing of finance		(2,031,683)	(203,204)
Taxation		(1,157,961)	(317,999)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3,270,569)	(722,978)
Receipts from sales of tangible fixed assets		459,469	214,058
Payments to acquire intangible fixed assets		-	(32,223)
Net cash outflow from capital expenditure and financial investment		(2,811,100)	(541,143)
Acquisition and disposals			
Acquisition of associate		-	(94,000)
Acquisition of investments		-	(362,115)
Receipts from disposal of shares		-	30,000
Net cash outflow from acquisitions and disposals		-	(426,115)
Net cash (outflow)/inflow before financing		(1,643,657)	5,435,878
Financing			
Bank loan repayments		(1,530,070)	(593,473)
Movement in associate loans		250,000	(1,306,000)
Issue of share capital		2,000,000	-
Inception of new finance leases		-	62,780
Capital element of hire purchase payments		(147,934)	(101,269)
Net cash inflow/(outflow) from financing		571,996	(1,937,962)
(Decrease)/increase in cash	24	(1,071,661)	3,497,916

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

Notes to the financial statements

1 Restatement of profit and loss account

The group has redefined its turnover accounting policy to include all turnover invoiced, inclusive of marketing recharges. Marketing charges incurred are now included within cost of sales. The effects on the comparative figures for the period ended 2 May 2009 are as follows:

	Period to 1 May 2010 £	Period to 2 May 2009 £
Increase in turnover	11,648,637	10,893,634
Increase in marketing charges	11,648,637	10,893,634

2 Turnover and operating profit

The turnover and operating profit are attributable to farming within the United Kingdom.

Operating profit is stated after charging/(crediting)

	Period to 1 May 2010 £	Period to 2 May 2009 £
Auditor's remuneration		
Audit services	27,750	26,500
Non-audit services	10,240	8,780
Depreciation		
Owned assets	1,480,146	1,330,916
Leased assets	89,156	21,340
Amortisation	20,424	16,734
Impairment losses	7,922	220,183
Rentals under operating leases	1,379,162	1,240,805
Government grants received	(582,715)	(708,591)
Profit on foreign exchange	(169,168)	(566,549)

3 Directors and employees

Staff costs during the period were as follows:

	Period to 1 May 2010 £	Period to 2 May 2009 £
Wages and salaries	10,557,808	10,159,356
Social security costs	937,918	978,186
Pensions	151,138	133,725
	11,646,864	11,271,267

Directors and employees (continued)

The average number of staff employed by the group during the financial period amounted to

	2010	2009
	No	No
Directors	5	6
Other	582	569
	<u>587</u>	<u>575</u>

Remuneration in respect of directors was as follows

	Period to 1 May 2010 £	Period to 2 May 2009 £
Emoluments	211,247	178,467
Pension contributions	39,764	12,866
	<u>251,011</u>	<u>191,333</u>

During the period 2 directors (2009 2) participated in money purchase pension schemes

The amounts set out above include remuneration in respect of the highest paid director as follows

	Period to 1 May 2010 £	Period to 2 May 2009 £
Emoluments	138,709	116,143
Pension contributions	39,764	11,116

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

4 Interest payable and similar charges

	Period to 1 May 2010 £	Period to 2 May 2009 £
Bank interest	136,444	220,591
Hire purchase interest	9,236	3,200
Other interest	67,547	326,730
	<u>213,227</u>	<u>550,521</u>

5 Taxation on profit on ordinary activities

(a) The tax charge is based on the profit for the period and represents

	Period to 1 May 2010 £	Period to 2 May 2009 £
Corporation tax payable at 28% (2009 28%)	1,227,369	774,646
Adjustment in respect of prior periods	47,226	43,133
Total current tax	1,274,595	817,779
Deferred taxation		
Origination and reversal of timing differences	(42,462)	48,454
Adjustment in respect of prior periods	(121,113)	(21,720)
	1,111,020	844,513

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period differs from the standard rate of corporation tax applying in the UK of 28% (2009 28%) The difference is explained below

	Period to 1 May 2010 £	Period to 2 May 2009 £
Profit on ordinary activities before taxation	3,917,277	2,270,792
Profit on ordinary activities by rate of tax	1,096,838	635,822
Expenses not deductible for tax purposes	65,592	73,780
Differences between capital allowances and depreciation	37,520	50,557
Other timing differences	27,419	14,487
Adjustments in respect of prior periods	47,226	43,133
Total current tax	1,274,595	817,779

6 Result for the financial period

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements The parent's result for the year was a profit of £1,196,456 (2009 £1,462,181)

7 Dividends

Dividends on shares classed as equity

	Period to 1 May 2010 £	Period to 2 May 2009 £
Paid during the period		
Equity dividends on ordinary shares	<u>2,000,000</u>	<u>-</u>

8 Intangible fixed assets

The Group

	Tenancy £	Sugar beet quota £	SPS entitlement £	Total £
Cost				
At 3 May 2009 and at 1 May 2010	<u>1,250,000</u>	<u>30,152</u>	<u>118,803</u>	<u>1,398,955</u>
Depreciation				
At 3 May 2009	1,250,000	30,152	37,106	1,317,258
Charge for the period	-	-	20,424	20,424
At 1 May 2010	<u>1,250,000</u>	<u>30,152</u>	<u>57,530</u>	<u>1,337,682</u>
Net book value				
At 1 May 2010	<u>-</u>	<u>-</u>	<u>61,273</u>	<u>61,273</u>
At 2 May 2009	<u>-</u>	<u>-</u>	<u>81,697</u>	<u>81,697</u>

The Company

	Tenancy £	SPS entitlement £	Total £
Cost			
At 3 May 2009 and 1 May 2010	<u>1,250,000</u>	<u>118,803</u>	<u>1,368,803</u>
Depreciation			
At 3 May 2009	1,250,000	37,106	1,287,106
Charge for the period	-	20,424	20,424
At 1 May 2010	<u>1,250,000</u>	<u>57,530</u>	<u>1,307,530</u>
Net book value			
At 1 May 2010	<u>-</u>	<u>61,273</u>	<u>61,273</u>
At 2 May 2009	<u>-</u>	<u>81,697</u>	<u>81,697</u>

9 Tangible fixed assets

The Group

	Freehold Property £	Leasehold Property Improve- ments £	Plant & Machinery £	Total £
Cost				
At 3 May 2009	5,933,848	1,723,582	8,935,627	16,593,057
Additions	2,511,530	-	1,183,655	3,695,185
Disposals	(202,074)	(3,960)	(536,817)	(742,851)
Transfers to related parties	-	-	(93,072)	(93,072)
At 1 May 2010	<u>8,243,304</u>	<u>1,719,622</u>	<u>9,489,393</u>	<u>19,452,319</u>
Depreciation				
At 3 May 2009	500,692	411,325	5,709,126	6,621,143
Charge for the period	330,405	198,756	1,040,141	1,569,302
Eliminated on disposals	(33,812)	(1,845)	(441,038)	(476,695)
Transfers to related parties	-	-	(76,050)	(76,050)
At 1 May 2010	<u>797,285</u>	<u>608,236</u>	<u>6,232,179</u>	<u>7,637,700</u>
Net book value				
At 1 May 2010	<u>7,446,019</u>	<u>1,111,386</u>	<u>3,257,214</u>	<u>11,814,619</u>
At 2 May 2009	<u>5,433,156</u>	<u>1,312,257</u>	<u>3,226,501</u>	<u>9,971,914</u>

Included within the net book value is £613,810 (2009 £127,967) relating to assets held under finance leases and hire purchase agreements. Depreciation of £89,156 (2009 £21,340) was charged on these assets during the period.

Included within freehold property is land at cost of £1,534,448 (2009 £1,534,448). The land is not being depreciated.

Tangible fixed assets (continued)

The Company

	Freehold Property £	Plant & Machinery £	Total £
Cost			
At 3 May 2009	2,823,089	81,170	2,904,259
Additions	-	741	741
Disposals	(202,074)	(14,215)	(216,289)
At 1 May 2010	<u>2,621,015</u>	<u>67,696</u>	<u>2,688,711</u>
Depreciation			
At 3 May 2009	338,229	69,397	407,626
Charge for the period	126,686	5,292	131,978
Eliminated on disposals	(33,812)	(14,215)	(48,027)
At 1 May 2010	<u>431,103</u>	<u>60,474</u>	<u>491,577</u>
Net book value			
At 1 May 2010	<u>2,189,912</u>	<u>7,222</u>	<u>2,197,134</u>
At 2 May 2009	<u>2,484,860</u>	<u>11,773</u>	<u>2,496,633</u>

Included within freehold property is land at cost of £517,635 (2009 £517,635) The land is not being depreciated

10 Fixed asset investments

	2010 £	The group 2009 £	The company 2010 £	2009 £
Interests in associates	1,153,659	1,404,059	94,000	94,000
Other fixed assets investments	228,011	235,933	228,010	235,932
Investments in subsidiaries	-	-	2,429,341	2,510,341
	<u>1,381,670</u>	<u>1,639,992</u>	<u>2,751,351</u>	<u>2,840,273</u>

Fixed asset investments (continued)

At 1 May 2010 the group had interests in the following associate

	£
Cost or valuation	
At 3 May 2009	1,404,059
Loan repaid	(250,000)
Share of loss of associate	(400)
	<u>1,153,659</u>
At 1 May 2010	<u>1,153,659</u>
Amounts written off	
At 3 May 2009 and 1 May 2010	<u>-</u>
Net book amount at 1 May 2010	<u>1,153,659</u>
Net book amount at 2 May 2009	<u>1,404,059</u>

This investment represents 47% of the issued ordinary share capital in Fenlander Limited, a company incorporated in England

Other fixed asset investments

	The group £	The company £
Cost		
At 3 May 2009 and 1 May 2010	456,116	456,115
Amounts written off		
At 3 May 2009	220,183	220,183
Impairment losses	7,922	7,922
	<u>228,105</u>	<u>228,105</u>
At 1 May 2010	<u>228,105</u>	<u>228,105</u>
Net book value		
At 1 May 2010	<u>228,011</u>	<u>228,010</u>
At 2 May 2009	<u>235,933</u>	<u>235,932</u>

Fixed asset investments (continued)

The Company

	Shares in group undertakings £
Cost	
At 3 May 2009 and at 1 May 2010	9,094,806
Amounts written off	
At 3 May 2009	6,584,465
Written off during the period	81,000
At 1 May 2010	<u>6,665,465</u>
Net book value	
At 1 May 2010	<u>2,429,341</u>
At 2 May 2009	<u>2,510,341</u>

At 1 May 2010 the company held more than 20% of the allotted share capital of the following undertakings

	Country of incorporation	Class of share capital held	Proportion held	Nature of business
Subsidiary undertakings				
Riverfen Farms Limited	England	Ordinary £1	100%	Farming
Stretham Farms Limited	England	Ordinary £1	100%	Dormant
Barway Farms Limited	England	Ordinary £1	100%	Contract Farming
Sandfields Farms Limited	England	Ordinary £0.01	80%	Farming
Buttercup Catering Limited	England	Ordinary £1	100%	Operation of a marina
Associates				
Fenlander Limited	England	Ordinary £1	47%	Farming
Laneguard Limited	England	Ordinary £1	31.3%	Farming

11 Stocks

	The group		The company	
	1 May	2 May	1 May	2 May
	2010	2009	2010	2009
	£	£	£	£
Finished goods	374,024	604,257	456,433	149,146
Work in progress	3,387,710	2,908,747	2,064,049	2,008,537
Raw materials and consumables	938,319	971,960	-	-
	<u>4,700,053</u>	<u>4,484,964</u>	<u>2,520,482</u>	<u>2,157,683</u>

12 Debtors

	The group		The company	
	1 May	2 May	1 May	2 May
	2010	2009	2010	2009
	£	£	£	£
Due within one year				
Trade debtors	4,545,979	4,216,848	950,548	550,943
Amounts owed by subsidiary undertakings	-	-	-	161,586
Amounts owed by associate	-	-	1,056,000	1,306,000
Other debtors	2,364,885	1,607,030	119,792	-
Prepayments and accrued income	499,943	250,087	499,943	225,723
	<u>7,410,807</u>	<u>6,073,965</u>	<u>2,626,283</u>	<u>2,244,252</u>
Due after one year				
Amounts owed by subsidiary undertakings	-	-	5,600,000	3,000,000

13 Creditors: amounts falling due within one year

	The group		The company	
	1 May	2 May	1 May	2 May
	2010	2009	2010	2009
	£	£	£	£
Bank loans	748,355	748,355	748,355	748,355
Bank overdraft	-	471,850	-	-
Obligations under hire purchase contracts	174,246	50,931	-	-
Trade creditors	5,367,728	6,541,121	1,196,345	1,387,995
Amounts owed to subsidiary undertakings	-	-	3,499,988	1,188,120
Corporation tax	881,241	764,607	203,261	267,761
Other tax and social security	240,056	159,116	22,417	55,439
Other creditors	1,187,200	2,138,725	136,823	1,069,465
Accruals	3,225,117	975,393	399,050	171,638
	<u>11,823,943</u>	<u>11,850,098</u>	<u>6,206,239</u>	<u>4,888,773</u>

14 Creditors: amounts falling due after more than one year

	The group		The company	
	1 May 2010	2 May 2009	1 May 2010	2 May 2009
	£	£	£	£
Bank loans	3,292,100	3,979,783	3,292,100	3,979,783
Amounts owed to JBS Farming	530,168	1,000,000	530,168	1,000,000
Obligations under hire purchase agreements	214,390	61,023	-	-
	<u>4,036,658</u>	<u>5,040,806</u>	<u>3,822,268</u>	<u>4,979,783</u>

15 Borrowings

	The group		The company	
	1 May 2010	2 May 2009	1 May 2010	2 May 2009
	£	£	£	£
Bank loans and overdrafts	4,040,455	5,199,988	4,040,455	4,728,138
Other loans	-	-	-	-
Obligations under hire purchase contracts	388,636	111,954	-	-
Loan from JBS Farming	530,168	1,372,555	530,168	1,372,555
	<u>4,959,259</u>	<u>6,684,497</u>	<u>4,570,623</u>	<u>6,100,693</u>
Less amounts falling due within one year	<u>922,601</u>	<u>1,271,136</u>	<u>748,355</u>	<u>748,355</u>
	<u>4,036,658</u>	<u>5,413,361</u>	<u>3,822,268</u>	<u>5,352,338</u>
Analysis of loan repayments				
Bank loans and overdrafts				
In one year or less or on demand	748,355	1,220,205	748,355	748,355
In more than one year but not more than two years	748,355	748,355	748,355	748,355
In more than two years but not more than five years	1,568,745	1,958,815	1,568,745	1,958,815
In more than five years	975,000	1,272,613	975,000	1,272,613
Obligations under hire purchase contracts			-	-
In one year or less or on demand	174,246	50,931	-	-
In more than one year but not more than two years	214,390	61,023	-	-
Loan from JBS Farming			-	-
In one year or less or on demand	-	372,555	-	372,555
In more than one year but not more than two years	530,168	1,000,000	530,168	1,000,000
	<u>4,959,259</u>	<u>6,684,497</u>	<u>4,570,623</u>	<u>6,100,693</u>

Borrowings (continued)

The company has the following loans

- Bank loan 1 repayable in 40 quarterly instalments of £56,250 (BBR plus 0.95%) 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
- Bank loan 3 repayable in 40 quarterly instalments of £75,000 (BBR plus 0.95%) The loan is secured on land and buildings owned by the group and Mr J B Shropshire

The balance outstanding as at 1 May 2010 on the loans were as follows

	1 May 2010	2 May 2009
	£	£
Bank loan 1	618,750	843,750
Bank loan 2	946,705	1,184,388
Bank loan 3	<u>2,475,000</u>	<u>2,700,000</u>

The company has entered into an interest rate swap on loans to the value of £1,145,674 which is due to mature on 26 May 2014. The fair value of the interest rate swap at the year end was £97,112 (2009 £157,461)

16 Provisions for liabilities

	The group £
Deferred taxation	
At 3 May 2009	313,397
Credited for the period	(163,575)
At 1 May 2010	<u>149,822</u>

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

	1 May 2010	The group 2 May 2009
	£	£
Capital allowances in excess of depreciation	<u>149,822</u>	<u>313,397</u>

The company had no provision for deferred taxation in either year

17 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 grounds that it is a parent undertaking which publishes consolidated accounts

The related parties of the group during the period were

Marblelane 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
 JBS Farming – a farming partnership in which Mr J B Shropshire is a partner
 GSS Farming Limited - a company in which Mr J B Shropshire is a director
 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:

	1 May 2010 £	2 May 2009 £
Total sales	54,921,986	60,175,738
Total purchases	21,765,454	22,464,706
Sale of fixed assets	17,022	505
Interest paid	110,579	165,416
Interest received	51,440	309,015
Balances included within trade debtors	3,000,547	268,040
Balances included within trade creditors	910,402	241,328
Other balances included in creditors	836,298	1,372,555

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

During the period a dividend of £2,000,000 (2009 £nil) was paid to Mr J B Shropshire, a director of the company

18 Share capital

Authorised share capital

	1 May 2010 £	2 May 2009 £
1,000,000 Ordinary £1 shares	1,000,000	1,000,000
2,000,000 Redeemable £1 preference shares	2,000,000	-

Allotted, called up and fully paid

	1 May 2010 £	2 May 2009 £
Ordinary £1 shares	300,000	300,000
Redeemable £1 preference shares	2,000,000	-
	2,300,000	300,000

Share capital continued

During the period the company issued 2,000,000 £1 preference shares for a total consideration of £2,000,000

The preference shares attract a fixed cumulative dividend of 3 7% per annum and are redeemable at the discretion of the company

19 Profit and loss account

	The group		The company	
	1 May	2 May	1 May	2 May
	2010	2009	2010	2009
	£	£	£	£
At 3 May 2009	7,543,607	6,234,205	5,442,246	3,980,065
Profit for the financial period	2,588,333	1,309,402	1,196,456	1,462,181
Dividend paid	(2,000,000)	-	(2,000,000)	-
At 1 May 2010	<u>8,131,940</u>	<u>7,543,607</u>	<u>4,638,702</u>	<u>5,442,246</u>

20 Minority interest

	£
At 3 May 2009	137,815
Minority interest share of reserves - dividends paid	(40,000)
Minority interest profit for the year	217,924
At 1 May 2010	<u>315,739</u>

21 Reconciliation of movements in shareholders' funds

	The group		The company	
	1 May	2 May	1 May	2 May
	2010	2009	2010	2009
	£	£	£	£
Profit for the financial period	2,588,333	1,309,402	1,196,456	1,462,181
Dividend paid	(2,000,000)	-	(2,000,000)	-
	<u>588,333</u>	<u>1,309,402</u>	<u>(803,544)</u>	<u>1,462,181</u>
Preference shares issued	2,000,000	-	2,000,000	-
Opening shareholders' funds	7,843,607	6,534,205	5,742,246	4,280,065
Closing shareholders' funds	<u>10,431,940</u>	<u>7,843,607</u>	<u>6,938,702</u>	<u>5,742,246</u>

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

	Period to 1 May 2010 £	Period to 2 May 2009 £
Operating profit	3,909,360	2,460,875
Amortisation and investment impairment	28,346	236,917
Depreciation	1,569,302	1,352,256
Profit on sale of fixed assets	(176,291)	(122,912)
(Increase)/decrease in stocks	(215,089)	1,392,051
Increase in debtors	(1,336,842)	(2,091,054)
Increase in creditors	578,301	3,696,206
Net cash inflow from operating activities	<u>4,357,087</u>	<u>6,924,339</u>

23 Analysis of net debt

	At 3 May 2009 £	Cash flow £	Other non cash movements £	At 1 May 2010 £
Cash at bank and in hand	2,933,191	(1,543,511)	-	1,389,680
Bank overdrafts	(471,850)	471,850	-	-
	<u>2,461,341</u>	<u>(1,071,661)</u>	-	<u>1,389,680</u>
Debt due after one year	(5,352,338)	1,530,070	-	(3,822,268)
Debt due within one year	(748,355)	-	-	(748,355)
Hire purchase contracts	(111,954)	147,934	(424,616)	(388,636)
Total	<u>(3,751,306)</u>	<u>606,343</u>	<u>(424,616)</u>	<u>(3,569,579)</u>

24 Reconciliation of net cash flow to movement in net debt

	Period to 1 May 2010 £	Period to 2 May 2009 £
(Decrease)/increase in cash in the period	(1,071,661)	3,497,916
Cash outflow from finance leases	147,934	101,269
Cash outflow from financing	1,530,070	593,473
Changes in net debt resulting from cash flows	<u>606,343</u>	<u>4,192,658</u>
Inception of finance leases	(424,616)	(139,105)
Movement in net debt in the period	<u>181,727</u>	<u>4,053,553</u>
Opening net debt	(3,751,306)	(7,804,859)
Closing net debt	<u>(3,569,579)</u>	<u>(3,751,306)</u>

25 Capital commitments

The company had no capital commitments at 1 May 2010 or 2 May 2009

26 Commitments under operating leases

At 1 May 2010 the group and the company had commitments under non-cancellable operating leases as follows

	The group		The company	
	1 May	2 May	1 May	2 May
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire				
Within one year	832,490	737,662	542,490	447,662
After more than five years	641,500	641,500	460,000	460,000
	<u>1,473,990</u>	<u>1,379,162</u>	<u>1,002,490</u>	<u>907,662</u>

27 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 Limited, Riverfen Farms Limited, Stretham Farms Limited and Sandfields Farms Limited. At 1 May 2010 the net short term group borrowings outstanding were £nil (2009 £nil)

28 Ultimate parent company

The immediate and ultimate controlling party is Mr J B Shropshire

29 Post balance sheet event

On 1 August 2010 J B Shropshire & Sons Limited increased its share capital holding in Fenlander Limited from 47% to 100% for an amount of £106,000