

**Strategic Report, Report of the Directors and**  
**Financial Statements**  
**for the Period 1 June 2014 to 30 May 2015**  
**for**  
**Farmers Fresh Limited**

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**Contents of the Financial Statements  
for the period 1 June 2014 to 30 May 2015**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3 to 4</b>
<b>Report of the Independent Auditors</b>	<b>5 to 6</b>
<b>Profit and Loss Account</b>	<b>7 to 8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 to 20</b>

**Farmers Fresh Limited**

**Company Information**  
**for the period 1 June 2014 to 30 May 2015**

**DIRECTORS:**

T J Bayliss  
G Jones  
W A Lammas  
J R Lloyd  
D T Owen  
T I Simpson  
S T Morris  
D Powell

**REGISTERED OFFICE:**

The Abattoir  
Rouncil Lane  
Kenilworth  
Warwickshire  
CV8 1NN

**REGISTERED NUMBER:**

03851239 (England and Wales)

**AUDITORS:**

Clifford Roberts  
Chartered Accountants &  
Statutory Auditors  
Pacioli House  
9 Brookfield  
Duncan Close  
Northampton  
Northamptonshire  
NN3 6WL

**SOLICITORS:**

Burges Salmon  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4AH

**Farmers Fresh Limited**

**Strategic Report**  
**for the period 1 June 2014 to 30 May 2015**

The directors present their strategic report for the period 1 June 2014 to 30 May 2015.

**REVIEW OF BUSINESS**

The directors monitor the performance of the business by reviewing the results of the activities and benchmarking against similar enterprises.

The company continued its trade as a lamb abattoir and sold in excess of 551,188 units (2014: 555,795 units) of meat at a margin of approximately 14.5% (2014: 14.5%). The directors are pleased with a less than 1% drop in units in what has been a difficult market with considerable price volatility. The directors believe that the capital expenditure made in the period will help increase productivity in 2016.

The company was invoiced management charges amounting to £166,394 (2014: £156,163) for the period by the parent company. These charges are included in the administrative expenses and have reduced the operating profit of the company.

The company aims to continue to reduce costs and wastage in an effort to continue to achieve favourable margins.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors monitor the financial risk of the company and they adopt policies to identify, evaluate and manage key risks which are price, supply, demand and credit. All of these risks are compounded by exchange rate movements, particularly in respect of the Euro. These policies are kept under constant review in the light of the ever changing economic conditions and the volatility of the meat market. Exchange risk is reduced by buying and selling Euros as and when the market favours the company.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'D T Ower', enclosed within a circular scribble.

D T Ower - Director

14 April 2016

## **Farmers Fresh Limited**

### **Report of the Directors** **for the period 1 June 2014 to 30 May 2015**

The directors present their report with the financial statements of the company for the period 1 June 2014 to 30 May 2015.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of an abattoir.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 30 May 2015.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 June 2014 to the date of this report.

T J Bayliss  
G Jones  
W A Lammas  
J R Lloyd  
D T Owen  
T I Simpson  
S T Morris

Other changes in directors holding office are as follows:

D Powell was appointed as a director after 30 May 2015 but prior to the date of this report.

S S Wood ceased to be a director after 30 May 2015 but prior to the date of this report.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 are sufficient to show and explain the company's transactions and 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Farmers Fresh Limited**

**Report of the Directors**  
**for the period 1 June 2014 to 30 May 2015**

**AUDITORS**

The auditors, Clifford Roberts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to be 'D T Owen', written over a horizontal line.

D T Owen - Director

14 April 2016

**Report of the Independent Auditors to the Members of**  
**Farmers Fresh Limited**

We have audited the financial statements of Farmers Fresh Limited for the period ended 30 May 2015 on pages seven to twenty. 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 a Report of the Auditors 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 and express an opinion on 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 Ethical Standards for Auditors.

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**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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 May 2015 and of its loss 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.

**Opinion on other matter prescribed by the Companies Act 2006**

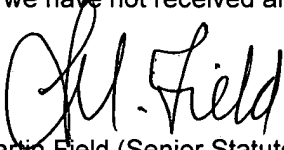
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of**  
**Farmers Fresh Limited**

**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 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.



Martin Field (Senior Statutory Auditor)  
for and on behalf of Clifford Roberts  
Chartered Accountants &  
Statutory Auditors  
Pacioli House  
9 Brookfield  
Duncan Close  
Northampton  
Northamptonshire  
NN3 6WL

14 April 2016

**Farmers Fresh Limited**

**Profit and Loss Account**  
**for the period 1 June 2014 to 30 May 2015**

	Notes	Period 1.6.14 to 30.5.15		Year Ended 31.5.14	
		£	£	£	£
<b>TURNOVER</b>	2		47,511,948		51,561,682
Cost of sales			40,634,306		44,079,926
<b>GROSS PROFIT</b>			6,877,642		7,481,756
Distribution costs		1,822,846		1,878,918	
Administrative expenses		4,740,592		4,855,206	
			6,563,438		6,734,124
			314,204		747,632
Other operating income			221,156		252,630
<b>OPERATING PROFIT</b>	5		535,360		1,000,262
Interest receivable and similar income	6		4,262		2,325
			539,622		1,002,587
Amounts written off investments	7		120,000		-
			419,622		1,002,587
Interest payable and similar charges	8		33,466		17,009
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			386,156		985,578
Tax on profit on ordinary activities	9		696,899		66,277
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>			(310,743)		919,301

The notes form part of these financial statements

**Farmers Fresh Limited**  
**Profit and Loss Account**  
**for the period 1 June 2014 to 30 May 2015**

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Reported profit on ordinary activities before taxation</b>	386,156	985,578
<i>Difference between a historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount</i>	27,900	27,900
<b>Historical cost profit on ordinary activities before taxation</b>	<u>414,056</u>	<u>1,013,478</u>
<b>Historical cost (loss)/profit for the period retained after taxation, minority interests, extraordinary items and dividends</b>	<u>(282,843)</u>	<u>947,201</u>

The notes form part of these financial statements

**Farmers Fresh Limited (Registered number: 03851239)**

**Balance Sheet**  
**30 May 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	10	3,415,956	3,263,688
Investments	11	249,000	369,000
		<u>3,664,956</u>	<u>3,632,688</u>
<b>CURRENT ASSETS</b>			
Stocks	12	246,126	264,666
Debtors	13	4,230,904	4,391,098
Cash at bank		1,584,937	1,483,566
		<u>6,061,967</u>	<u>6,139,330</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	5,076,564	5,062,398
		<u>5,076,564</u>	<u>5,062,398</u>
<b>NET CURRENT ASSETS</b>		<u>985,403</u>	<u>1,076,932</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,650,359</u>	<u>4,709,620</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(239,584)	-
<b>PROVISIONS FOR LIABILITIES</b>	17	(84,177)	(72,279)
<b>NET ASSETS</b>		<u>4,326,598</u>	<u>4,637,341</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Revaluation reserve	19	1,138,329	1,166,229
Profit and loss account	19	3,188,268	3,471,111
<b>SHAREHOLDERS' FUNDS</b>	22	<u>4,326,598</u>	<u>4,637,341</u>

The financial statements were approved by the Board of Directors on 14 April 2016 and were signed on its behalf by:



D T Owen - Director

The notes form part of these financial statements

## **Farmers Fresh Limited**

### **Notes to the Financial Statements** **for the period 1 June 2014 to 30 May 2015**

#### **1. ACCOUNTING POLICIES**

##### **Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

##### **Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

##### **Financial Reporting Standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

##### **Turnover**

Turnover represents net invoiced sales of meat, excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 25% on cost
Plant and machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 20% on cost
Assets under construction	- 17% on cost

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Foreign currencies**

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 transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

##### **Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants toward revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

##### **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
United Kingdom	17,196,051	19,407,146
Europe	30,315,897	32,154,536
	<u>47,511,948</u>	<u>51,561,682</u>

**3. STAFF COSTS**

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Wages and salaries	2,251,014	2,169,104
Social security costs	168,436	194,468
Other pension costs	15,413	-
	<u>2,434,863</u>	<u>2,363,572</u>

The average monthly number of employees during the period was as follows:

	Period 1.6.14 to 30.5.15	Year Ended 31.5.14
Production	56	56
Administration	7	7
	<u>63</u>	<u>63</u>

**4. DIRECTORS' EMOLUMENTS**

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Directors' remuneration	<u>110,000</u>	<u>103,846</u>

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Depreciation - owned assets	182,179	156,099
(Profit)/loss on disposal of fixed assets	(3,904)	204,663
Auditors' remuneration	16,000	12,050
Auditors' remuneration for non audit work	7,900	13,775
Foreign exchange differences	(131,069)	(221,152)
Government grants	<u>56,163</u>	<u>5,767</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Deposit account interest	<u>4,262</u>	<u>2,325</u>

**7. AMOUNTS WRITTEN OFF INVESTMENTS**

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Amounts written off investments	<u>120,000</u>	<u>-</u>

The directors have acknowledged the full impairment of one of the film scheme investments.

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Bank interest	1,326	-
Loan	10,091	17,009
Interest on late tax payments	<u>22,049</u>	<u>-</u>
	<u>33,466</u>	<u>17,009</u>

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**9. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Current tax:		
UK corporation tax	70,101	47,000
Over provision in prior years	(17,995)	-
Provision for taxation in dispute	632,895	-
Total current tax	685,001	47,000
Deferred tax	11,898	19,277
Tax on profit on ordinary activities	696,899	66,277

**Factors affecting the tax charge**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.6.14 to 30.5.15 £	Year Ended 31.5.14 £
Profit on ordinary activities before tax	386,156	985,578
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.586% (2014 - 21.070%)	79,494	207,661
Effects of:		
Expenses not deductible for tax purposes	7,366	6,949
Adjustments to tax charge in respect of previous periods	(17,995)	-
Depreciation added back	37,504	76,012
Capital allowances	(82,699)	(21,070)
Other tax adjustments	-	(222,552)
Interest on late tax payments	4,539	-
Profit on disposal of assets	(804)	-
Amounts written off investments	24,701	-
Provision for taxation in dispute	632,895	-
Current tax charge	685,001	47,000

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**9. TAXATION - continued**

**Provision for taxation in dispute**

The company was advised a number of years ago to enter into commonly available film investment Schemes, a secondary effect of which was to reduce the level of taxation which would otherwise have been payable by the company. As has recently been widely publicised, HMRC are now seeking to challenge the veracity of such Schemes. The advisers who recommended the Schemes to the company are seeking to establish through the Courts that the Schemes comply fully with existing UK tax law, and that the investments were made on sound commercial principles.

In view of the now changed approach of HMRC, and in the interest of prudence, the directors have decided to make full provision for the taxation which would have been due had the company not made investments into the Schemes. Such provision is made entirely without prejudice to the ongoing legal clarification being sought.

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 June 2014	2,696,930	161,180	644,260
Additions	-	-	43,766
	<hr/>	<hr/>	<hr/>
At 30 May 2015	2,696,930	161,180	688,026
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 June 2014	101,000	10,074	169,250
Charge for period	53,939	40,295	77,141
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 May 2015	154,939	50,369	246,391
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 30 May 2015	2,541,991	110,811	441,635
	<hr/>	<hr/>	<hr/>
At 31 May 2014	2,595,930	151,106	475,010
	<hr/>	<hr/>	<hr/>

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**10. TANGIBLE FIXED ASSETS - continued**

	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
<b>COST OR VALUATION</b>				
At 1 June 2014	35,257	48,700	-	3,586,327
Additions	24,854	11,517	258,286	338,423
Disposals	-	(11,200)	-	(11,200)
At 30 May 2015	60,111	49,017	258,286	3,913,550
<b>DEPRECIATION</b>				
At 1 June 2014	4,259	38,056	-	322,639
Charge for period	7,829	2,975	-	182,179
Eliminated on disposal	-	(7,224)	-	(7,224)
At 30 May 2015	12,088	33,807	-	497,594
<b>NET BOOK VALUE</b>				
At 30 May 2015	48,023	15,210	258,286	3,415,956
At 31 May 2014	30,998	10,644	-	3,263,688

The freehold property was re-valued at £2,695,000, based on market value (DRC) in October 2012 by professional valuers Gerald Eve LLP, Birmingham.

**Comparable historical cost for the land and buildings included at valuation:**

<b>Cost</b>	<b>£</b>
At 1 June 2014 and 30 May 2015	1,474,901
<b>Depreciation based on cost</b>	
At 1 June 2014	45,200
Charge for the period	29,498
At 30 May 2015	74,698
<b>Net book value</b>	
At 30 May 2015	1,400,203
At 31 May 2014	1,429,701

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**11. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 June 2014	369,000
Impairments	(120,000)
	<hr/>
At 30 May 2015	249,000
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 May 2015	249,000
	<hr/> <hr/>
At 31 May 2014	369,000
	<hr/> <hr/>

The directors have acknowledged the full impairment of one of the film scheme investments. The cost of the remaining two schemes has been insured against and so is not subject to impairment.

**12. STOCKS**

	2015 £	2014 £
Stocks	246,126	264,666
	<hr/>	<hr/>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade debtors	4,148,906	4,241,747
Bad debt provision	(113,139)	-
Other debtors	930	13,031
Directors' current accounts	629	-
VAT	74,230	107,391
Prepayments and accrued income	119,348	28,929
	<hr/>	<hr/>
	4,230,904	4,391,098
	<hr/> <hr/>	<hr/> <hr/>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Bank loans and overdrafts (see note 16)	1,369,480	2,032,316
Trade creditors	572,496	728,558
Amounts owed to group undertakings	1,828,138	1,837,538
Tax	702,996	47,000
Social security and other taxes	60,901	62,265
Wages Control	39,878	36,145
Directors' current accounts	11,998	-
Accruals and deferred income	490,677	318,576
	<hr/>	<hr/>
	5,076,564	5,062,398
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The bank overdraft and loan are secured by a fixed and floating charge over the assets of the company.

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015 £	2014 £
Bank loans (see note 16)	<u>239,584</u>	<u>-</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due within one year or on demand:		
Bank overdrafts	1,252,813	1,582,316
Bank loans	<u>116,667</u>	<u>450,000</u>
	<u>1,369,480</u>	<u>2,032,316</u>

Amounts falling due between one and two years:

Bank loans - 1-2 years	<u>116,667</u>	<u>-</u>
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Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>122,917</u>	<u>-</u>
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Farmers First Limited, the parent company, has provided unlimited financial guarantees in respect of the Farmers Fresh Limited bank overdraft.

**17. PROVISIONS FOR LIABILITIES**

	2015 £	2014 £
Deferred tax	<u>84,177</u>	<u>72,279</u>

	Deferred tax £
Balance at 1 June 2014	72,279
Charge to Profit and Loss Account during period	<u>11,898</u>
Balance at 30 May 2015	<u>84,177</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**19. RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 June 2014	3,471,111	1,166,229	4,637,340
Deficit for the period	(310,743)	-	(310,743)
Depreciation written back	27,900	(27,900)	-
	<hr/>	<hr/>	<hr/>
At 30 May 2015	<u>3,188,268</u>	<u>1,138,329</u>	<u>4,326,597</u>

**20. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**

A management charge of £166,394 (2014: £156,163) was charged from Farmers First Limited to Farmers Fresh Limited during the period.

During the period the following directors were paid various amounts for management services and goods supplied under arms length conditions. Any amounts due are unsecured and no interest is charged in respect of them.

**T J Bayliss**  
Director

	2015	2014
Number of carcasses	191	645
	2015	2014
	£	£
Livestock	12,683	43,517
Commission	1,354	1,496
	2015	2014
	£	£
Amount due from related party at the balance sheet date	<u>629</u>	<u>-</u>

**D T Owen**  
Director

	2015	2014
Number of carcasses	56	1,016
	2015	2014
	£	£
Livestock	3,430	37,688
Commission	24,996	29,514

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**20. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued**

**J R Lloyd**  
 Director

	2015	2014
Number of carcasses	1,367	2,090

	2015	2014
	£	£
Livestock	97,179	154,551

**G Jones**  
 Director

	2015	2014
Number of carcasses	938	1,355

	2015	2014
	£	£
Livestock	65,950	98,461

**S T Morris**  
 Director

	2015	2014
Number of carcasses	807	706

	2015	2014
	£	£
Livestock	56,831	50,843

**T I Simpson**  
 Director

	2015	2014
Number of carcasses	4,940	8,949

	2015	2014
	£	£
Livestock	361,609	720,226
Commission	107,316	101,946

	2015	2014
	£	£
Amount due to related party at the balance sheet date	<u>11,998</u>	<u>35,456</u>

**Farmers Fresh Limited**

**Notes to the Financial Statements - continued**  
**for the period 1 June 2014 to 30 May 2015**

**20. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS - continued**

**J & SA Wood**

SS Wood is a partner of this entity

During the period the entity was paid various amounts for management services and goods supplied under arms length conditions. These have been analysed below:

	2015	2014
Number of carcasses	-	1,074
	2015	2014
	£	£
Livestock	-	83,258
Consultancy	39,500	33,500
	2015	2014
	£	£
Amount due to related party at the balance sheet date	-	2,750
	<u>          </u>	<u>          </u>

**Redditch Skip Hire Limited**

A Wood the controlling interest, close family member of SS Wood

During the period the company was paid various amounts for skip hire amounting to £42,207 (2014: £27,517).

	2015	2014
	£	£
Amount due to related party at the balance sheet date	-	4,357
	<u>          </u>	<u>          </u>

**21. ULTIMATE CONTROLLING PARTY**

The ultimate parent company and controlling party is Farmers First Limited, a company registered in England and Wales.

Farmers First Limited prepares group financial statements and copies can be obtained from the registered office, One, Glass Wharf, Bristol, BS2 0ZX.

**22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2015	2014
	£	£
(Loss)/profit for the financial period	(310,743)	919,301
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(310,743)</b>	<b>919,301</b>
Opening shareholders' funds	4,637,341	3,718,040
<b>Closing shareholders' funds</b>	<b><u>4,326,598</u></b>	<b><u>4,637,341</u></b>

**Farmers Fresh Limited**

**Trading and Profit and Loss Account**  
**for the period 1 June 2014 to 30 May 2015**

	Period 1.6.14 to 30.5.15		Year Ended 31.5.14	
	£	£	£	£
<b>Sales</b>		47,511,948		51,561,682
<b>Cost of sales</b>				
Opening stock	264,666		64,546	
Purchases	40,615,766		44,280,046	
	<hr/>		<hr/>	
	40,880,432		44,344,592	
Closing stock	(246,126)		(264,666)	
	<hr/>	40,634,306	<hr/>	44,079,926
<b>GROSS PROFIT</b>		6,877,642		7,481,756
<b>Other income</b>				
Discounts received	2,774		3,211	
Rents received	31,150		20,000	
Sundry receipts	-		2,500	
Government grants	56,163		5,767	
Exchange gains	131,069		221,152	
Deposit account interest	4,262		2,325	
	<hr/>	225,418	<hr/>	254,955
		7,103,060		7,736,711
<b>Expenditure</b>				
Haulage	1,487,725		1,522,394	
Packaging	107,923		83,559	
MLC deductions	(351,034)		(361,220)	
Sundry production costs	(42)		(293)	
MLC levy	435,334		451,053	
Deductions recovered	(179,654)		(134,634)	
Protective clothing	62,070		46,610	
Meat inspections	228,342		243,206	
Lairage	32,182		28,243	
Rates and water	131,068		133,544	
Management charges	166,394		156,163	
Insurance	157,166		125,864	
Light and heat	277,566		288,237	
Site security	59,887		62,659	
Health and safety	7,379		5,140	
Directors' salaries	110,000		103,846	
Wages	2,141,014		2,065,258	
Social security	168,436		194,468	
Pensions	15,413		-	
Hire of plant and machinery	10,280		10,052	
Telephone	10,007		11,610	
Post and stationery	21,065		19,633	
Advertising	5,502		5,947	
Travelling	723		-	
Motor expenses	8,369		4,647	
Raw material collection	66,647		28,578	
Repairs and renewals	175,682		190,378	
Cleaning	25,876		58,167	
	<hr/>		<hr/>	
Carried forward	5,381,320	7,103,060	5,343,109	7,736,711

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**Farmers Fresh Limited**

**Trading and Profit and Loss Account**  
**for the period 1 June 2014 to 30 May 2015**

	Period 1.6.14 to 30.5.15		Year Ended 31.5.14	
	£	£	£	£
Brought forward	5,381,320	7,103,060	5,343,109	7,736,711
Sundry expenses	181,474		217,148	
Computer expenses	32,321		9,418	
Consultancy fees	239,466		229,071	
Legal fees	34,779		19,645	
Auditors' remuneration	16,000		12,050	
Auditors' remuneration for non audit work	7,900		13,775	
Profit/loss on sale of tangible fixed assets	(3,904)		204,663	
Commission paid	120,498		165,947	
Settlement discount	149,285		180,213	
Entertainment	35,783		30,748	
Bad debts	54,509		27,778	
Procurement	112,460		106,223	
	<hr/>	<hr/>	<hr/>	<hr/>
		6,361,891		6,559,788
		<hr/>		<hr/>
		741,169		1,176,923
<b>Finance costs</b>				
Bank charges	19,367		18,237	
Bank interest	1,326		-	
Loan	10,091		17,009	
Interest on late tax payments	22,049		-	
	<hr/>	<hr/>	<hr/>	<hr/>
		52,833		35,246
		<hr/>		<hr/>
		688,336		1,141,677
<b>Depreciation</b>				
Freehold property	53,939		50,500	
Improvements to property	40,295		10,074	
Plant and machinery	77,142		86,849	
Fixtures and fittings	7,829		6,015	
Motor vehicles	2,975		2,661	
	<hr/>	<hr/>	<hr/>	<hr/>
		182,180		156,099
		<hr/>		<hr/>
		506,156		985,578
<b>Amounts written off investments</b>				
Amounts written off investments		120,000		-
		<hr/>		<hr/>
<b>NET PROFIT</b>		<hr/>		<hr/>
		386,156		985,578
		<hr/>		<hr/>

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