

JCB Farms Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2009

Registration number 798058

THURSDAY



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27/01/2011
COMPANIES HOUSE

Howsons
Chartered Accountants and Registered Auditors
Winton House
Stoke Road
Stoke On Trent
ST4 2RW

JCB FARMS LIMITED

GROUP DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the group at the end of the financial year and of the profit or loss of the group for the period ending on that date. In preparing those financial statements, directors are required to

- select suitable accounting policies and 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 a 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 which disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activity

The principal activity of the group is that of farming

Business review

Review of business and future developments

The farming sector has been minimally effected by the recession in comparison to many other industries. Unfortunately, sales of organic food fell by 12.9% in the UK in 2009, with organic meat being the worst effected showing a fall of 22.7% as a result of the recession. However, reports show clear signs of increasing confidence among consumers in 2010. Based on early evidence from 2010, the Soil Association predict a modest market expansion of between 2% and 5% in 2010

Turnover has decreased by 5.8% in the year to £1,763,000 (2008 - £1,872,000). However, the gross profit margins have increased from 26.6% to 31.0%. The loss before tax has also improved in the year (excluding exceptional items) from £2,614,000 to £935,000. These improvements have been achieved by improving the efficiencies of the farms. The large decrease in interest rates in the year have also benefited the group by £777,000

A variety of factors affect the level of net farm income every year, including the level of producer prices and support payments, the cost of inputs, wastage and other losses and mortality. With further improvements in farm efficiency in 2010, the profitability is set to improve

JCB FARMS LIMITED
GROUP DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

continued

Position of the business

At the year end, the net liabilities totalled £26,314,927

Financial risk

Principal risks and uncertainties

The principal risk facing JCB Farms Limited is the performance of the farming and organic food sectors. To manage this risk, JCB Farms Limited produce and sell a variety of livestock and arable produce.

Credit risk

The principal financial assets of JCB Farms Limited are trade and other receivables, predominantly with JCB companies and related companies outside of the JCB Service group. Because JCB Farms Limited is integrated in business and financial terms with these JCB companies, its credit risk is managed by those companies.

Liquidity risk

JCB Farms Limited is party to a banking arrangement common to all UK based JCB companies. Adequate facilities are available to support the group's business for at least 12 months beyond the date of this report.

Key performance indicators (KPI's)

JCB Farms Limited uses a range of financial and non-financial indicators to monitor performance. The key performance indicators referred to in the business review above include market share, revenue and profit trends and gross profit margins.

Results and dividend

The results for the group are set out in the financial statements.

The directors do not recommend the payment of a dividend.

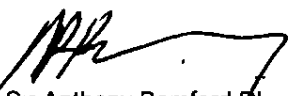
Directors

The directors who held office during the year were as follows:

- Sir Anthony Bamford DL
- M J C Bamford

The group is a wholly owned subsidiary of J C Bamford Excavators Limited whose ultimate parent company is owned by Bamford family interests.

Approved by the Board and signed on its behalf by



Sir Anthony Bamford DL
Chairman

Date 26 January 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCB FARMS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of JCB Farms Limited for the year ended 31 December 2009 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and related notes set out on pages 9 to 18. These financial statements have been prepared under the accounting policies set out therein. 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 group's members, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. Our work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditors' 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 group and the group'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 described in the statement of Directors' responsibilities on page 1, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.ork.uk/apb/scope/uknp.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2009 and of the group's loss for the year 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 matters prescribed by the Companies Act 2006

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

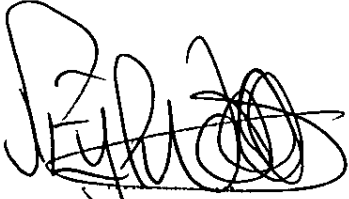
Matters on which we are required to report by exception

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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JCB FARMS LIMITED**

continued

A handwritten signature in black ink, appearing to read 'James Eyre-Walker', with a large circular flourish at the end.

James Eyre-Walker
Senior Statutory Auditor

for and on behalf of
Howsons, Statutory Auditor

Winton House
Stoke Road
Stoke On Trent
ST4 2RW

Date 26 January 2011

JCB FARMS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR 31 DECEMBER 2009

	Note	2009 £	2008 £
Turnover		1,763,421	1,871,837
Cost of sales		(1,216,559)	(1,373,857)
Gross profit		<u>546,862</u>	<u>497,980</u>
Administrative expenses <i>including exceptional items of £0 (2008 - £2,243,959)</i>		(2,131,985)	(4,855,710)
Other operating income	3	737,558	366,469
Operating loss:			
Excluding exceptional items		(847,565)	(1,747,302)
Exceptional revenue costs	5	-	(2,243,959)
Operating loss	4	(847,565)	(3,991,261)
Interest payable and similar charges	8	(87,684)	(866,468)
Loss on ordinary activities before taxation		<u>(935,249)</u>	<u>(4,857,729)</u>
Tax on loss on ordinary activities	9	-	-
Loss on ordinary activities after taxation		<u>(935,249)</u>	<u>(4,857,729)</u>
Retained loss for the financial year		<u>(935,249)</u>	<u>(4,857,729)</u>

Turnover and operating loss derive wholly from continuing operations

The group has no recognised gains or losses for the year other than the results above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

The notes on pages 9 to 18 form an integral part of these financial statements

JCB FARMS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Intangible assets	10		-		-
Tangible assets	11		9,806,753		8,088,298
Investments	12		<u>10,204</u>		<u>9,558</u>
			<u>9,816,957</u>		<u>8,097,856</u>
 Current Assets					
Stocks	13	1,612,227		1,599,071	
Debtors	14	2,894,249		1,881,533	
Cash at bank and in hand		<u>594</u>		<u>448</u>	
		<u>4,507,070</u>		<u>3,481,052</u>	
Creditors: Amounts falling due within one year	15		<u>(37,402,929)</u>		<u>(33,522,561)</u>
Net current liabilities			<u>(32,895,859)</u>		<u>(30,041,509)</u>
 Total assets less current liabilities			<u>(23,078,902)</u>		<u>(21,943,653)</u>
 Creditors Amounts falling due after more than one year	16		(3,236,025)		(3,436,025)
Net liabilities			<u>(26,314,927)</u>		<u>(25,379,678)</u>
 Capital and reserves					
Called up share capital	20		4		4
Profit and loss reserve	21		<u>(26,314,931)</u>		<u>(25,379,682)</u>
Equity shareholders' funds	22		<u>(26,314,927)</u>		<u>(25,379,678)</u>

Approved by the Board on *26 January 2010* and signed on its behalf by



Sir Anthony Bamford DL
Chairman

Registration number 798058

The notes on pages 9 to 18 form an integral part of these financial statements

JCB FARMS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	11		835,560		851,768
Investments	12		-		-
			<u>835,560</u>		<u>851,768</u>
 Current Assets					
Stocks	13	781,372		852,582	
Debtors	14	541,453		475,506	
Cash at bank and in hand		244		106	
		<u>1,323,069</u>		<u>1,328,194</u>	
Creditors Amounts falling due within one year	15		<u>(7,605,749)</u>		<u>(7,345,552)</u>
Net current liabilities			(6,282,680)		(6,017,358)
Total assets less current liabilities			<u>(5,447,120)</u>		<u>(5,165,590)</u>
Creditors: Amounts falling due after more than one year	16		(3,211,043)		(3,211,043)
Net liabilities			<u>(8,658,163)</u>		<u>(8,376,633)</u>
 Capital and reserves					
Called up share capital	19		4		4
Profit and loss reserve	20		(8,658,167)		(8,376,637)
Equity shareholders' funds	21		<u>(8,658,163)</u>		<u>(8,376,633)</u>

Approved by the Board on 26 January 2011 and signed on its behalf by

Sir Anthony Bamford DL
Chairman

Registration number 798058

The notes on pages 9 to 18 form an integral part of these financial statements

JCB FARMS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2009 £	2008 £	2008 £
Net cash flow from operating activities	22		1,222,565		4,654,034
Returns on investment and servicing of finance	23		(87,684)		(866,468)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(2,150,892)		(4,477,670)	
Sale of tangible fixed assets		14,424		154,058	
Purchase of investments		(646)		(1,767)	
			<u>(2,137,114)</u>		<u>(4,325,379)</u>
Cash (outflow)/inflow before management of liquid resources and financing			<u>(1,002,233)</u>		<u>(537,813)</u>
Financing					
Repayment of loan payable - more than 1 year			<u>(200,000)</u>		<u>-</u>
Net cash flow			<u><u>(1,202,233)</u></u>		<u><u>(537,813)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2009 £	2008 £
Decrease in cash in the year		(1,202,233)	(537,813)
Repayment of loan		200,000	-
Movement in net debt in the period		<u>(1,002,233)</u>	<u>(537,813)</u>
Net debt at the start of the year	24	<u>(23,839,514)</u>	<u>(23,301,701)</u>
Net debt at the end of the year	24	<u><u>(24,841,747)</u></u>	<u><u>(23,839,514)</u></u>

The notes on pages 9 to 18 form an integral part of these financial statements

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

The group accounts comprise a consolidation of the accounts of the company and its material subsidiaries at 31 December 2009. Results of subsidiary companies acquired or sold during the year are accounted for from or to the effective date of acquisition or disposal, as appropriate.

Going concern

These financial statements have been prepared on a going concern basis.

Turnover

Turnover represents the invoice value of goods and services supplied to customers outside the group, excluding VAT.

Depreciation

Depreciation is calculated so as to write off the original cost by equal annual instalments over the expected useful lives of the assets concerned. Assets in the course of construction are not depreciated.

The principal rates used are

Farm buildings	2% - 5%
Farm machinery	5% - 25%
Farm fixtures, fittings and equipment	2.5% - 25%
Motor vehicles	20% - 25%
Other assets	5% - 25%

Additional depreciation is provided where, in the opinion of the directors, there has been a permanent diminution in the value of a fixed asset.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Milk quota	7 years
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Stock

Cattle and sheep are valued at the original cost at the time they transferred to the herd, namely at purchase price for bought animals and at the estimated cost of rearing for home producing animals. All other stock is valued at the lower of cost and net realisable value. The cost of farm grown stores, growing crops and farm reared livestock is determined by reference to generally accepted valuation principles.

Subsidies

Subsidies receivable under the Single Farm Payment Scheme are accounted for on an accruals basis.

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Pensions

Retirement benefits for eligible employees are primarily provided by two defined benefit schemes which are funded by contributions from the group and employees into separately administered trust funds. The company is unable to identify its share of the underlying assets and liabilities of these schemes. As a result, the company accounts for contributions to the schemes as if they were defined contribution schemes by charging them to the profit and loss account as incurred.

The defined benefit schemes are closed to new entrants and have been replaced by a stakeholder scheme which is a defined contribution scheme. Pension costs relating to defined contribution arrangements are charged to the profit and loss account as incurred.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Repairs and renewals

All repairs and renewals are charged against revenue as incurred.

Goodwill

Goodwill, representing the excess of the cost of the shares in subsidiaries over their net assets at the date of acquisition, is amortised to the profit and loss account on a straight-line basis over its estimated economic life of 20 years.

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. All turnover is achieved within the UK.

3 OTHER OPERATING INCOME

	2009	2008
	£	£
Rent receivable	342,000	172,101
Organic Farm Scheme Subsidy	72,484	43,146
Single Farm Payment Scheme	318,546	148,478
Other income	4,528	2,744
	<u>737,558</u>	<u>366,469</u>

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

4 OPERATING LOSS

Operating loss is stated after charging/(crediting)	2009	2008
	£	£
Hire of plant and machinery	1,719	3,900
Hire of other assets	3,323	5,735
Auditors remuneration - The audit of the group's annual accounts	23,702	32,721
Foreign currency losses/(gains)	575	(65)
(Profit)/loss on disposal of tangible fixed assets	(8,166)	154,654
Depreciation of owned tangible fixed assets	<u>426,179</u>	<u>474,046</u>

The auditors are also the auditors of J C Bamford Lifeplan pension scheme

5 EXCEPTIONAL ITEMS

	2009	2008
	£	£
Impairment of assets	<u>-</u>	<u>2,243,959</u>

As a result of the current lease arrangements for the farm shop operated by Daylesford Organic Limited, the value in use of those buildings has been impaired

6 PARTICULARS OF EMPLOYEES

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows

	2009	2008
	No	No.
Directors	2	2
Production	31	29
Administration	5	5
	<u>38</u>	<u>36</u>

The aggregate payroll costs of these persons were as follows

	2009	2008
	£	£
Wages and salaries	787,858	841,011
Social security	73,383	72,318
Other pension costs	86,477	81,414
	<u>947,718</u>	<u>994,743</u>

7 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows

	2009	2008
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

During the period the number of directors who were accruing benefits under company pension schemes was as follows

	2009	2008
	No.	No.
Defined benefit	<u>-</u>	<u>-</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Group interest payable	<u>87,684</u>	<u>866,468</u>

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

9 TAXATION

Factors which may affect future tax charges

The group had tax losses of approximately £10,500,000 brought forward. During the year it made further tax losses of £800,000.

10 INTANGIBLE FIXED ASSETS

	Milk Quota £	Goodwill £
Cost		
As at 1 January 2009 and 31 December 2009	199,636	963,686
Amortisation		
As at 1 January 2009 and 31 December 2009	199,636	963,686
Net book value		
As at 31 December 2009	-	-
As at 31 December 2008	-	-

At the end of 1999, the milk quota had been fully amortised, however it is expected that the benefits will continue to accrue. The market value of the milk quota at 31 December 2009 was £4,933 (2008 - £2,466).

At the end of 2007, the goodwill had been fully amortised.

11 TANGIBLE FIXED ASSETS

GROUP

	Farm buildings £	Farm machinery £	Farm fixtures, fittings and equipment £	Motor Vehicles £	Other assets £	Total £
Cost						
As at 1 January 2009	4,081,369	1,130,071	2,117,642	12,474	9,080,383	16,421,939
Additions	503,884	109,643	114,544	-	1,422,821	2,150,892
Disposals	-	(14,580)	(1,473)	-	-	(16,053)
Reclassifications	(74,233)	-	-	-	74,233	-
As at 31 December 2009	4,511,020	1,225,134	2,230,713	12,474	10,577,437	18,556,778
Depreciation						
As at 1 January 2009	864,344	622,462	1,002,907	12,252	5,831,676	8,333,641
Charge for the year	172,259	70,014	173,894	55	9,957	426,179
Eliminated on disposals	-	(9,132)	(663)	-	-	(9,795)
Reclassifications	-	44,607	(44,607)	-	-	-
As at 31 December 2009	1,036,603	727,951	1,131,531	12,307	5,841,633	8,750,025
Net book value						
As at 31 December 2009	3,474,417	497,183	1,099,182	167	4,735,804	9,806,753
As at 31 December 2008	3,217,025	507,609	1,114,735	222	3,248,707	8,088,298

i) All land and buildings are freehold.

ii) Included in other assets is the farm shop (operated by JCB World Brands Limited) and creamery facilities. These facilities were valued by an independent chartered surveyor as at 31 December 2008 and their cost written down to the market value of the freehold interest as an investment subject to lease.

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Capital commitments

	2009	2008
	£	£
Contracted but not provided for in the financial statements	<u>53,698</u>	<u>-</u>

COMPANY

	Farm buildings	Farm machinery	Farm fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
As at 1 January 2009	257,723	661,202	1,005,698	1,924,623
Additions	49,469	10,540	53,938	113,947
Disposals	-	(6,600)	(1,473)	(8,073)
As at 31 December 2009	<u>307,192</u>	<u>665,142</u>	<u>1,058,163</u>	<u>2,030,497</u>
Depreciation				
As at 1 January 2009	98,734	425,552	548,569	1,072,855
Charge for the year	7,514	34,995	86,362	128,871
Eliminated on disposals	-	(6,126)	(663)	(6,789)
Reclassifications	-	44,607	(44,607)	-
As at 31 December 2009	<u>106,248</u>	<u>499,028</u>	<u>589,661</u>	<u>1,194,937</u>
Net book value				
As at 31 December 2009	<u>200,944</u>	<u>166,114</u>	<u>468,502</u>	<u>835,560</u>
As at 31 December 2008	<u>158,989</u>	<u>235,650</u>	<u>457,129</u>	<u>851,768</u>

i) All land and buildings are freehold

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

12 INVESTMENTS

GROUP

The group holds the following listed investments 4,160 Dairy Crest ordinary shares acquired during 1996 at £nil cost as an eligible milk producer, and 1,368 ordinary shares in Genus Plc which were also acquired at £nil cost. The aggregate market value of these shares at 31 December 2009 was £24,304 (2008 - £17,958)

The group also holds 428 ordinary shares in National Milk Records and 2,475 preference shares of £1 each in Axis and Scottish Milk Ltd, acquired at £Nil cost

The group also has funds invested with First Milk Limited, amounting to £10,204 (2008 - £9,558), that are repayable upon ceasing to be a member according to the rules of the Society

COMPANY

	2009	2008
	£	£
Group shares	-	-
Group loans	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Additional information is as follows

	Group shares
	£
Cost	
As at 1 January 2009 and 31 December 2009	1,346,312
Provision	
As at 1 January 2009 and 31 December 2009	1,346,312
Net book value	
As at 31 December 2009	<u> </u>
As at 31 December 2008	<u> </u>
	Group loans
	£
As at 1 January 2009	163,150
Provision brought forward	<u>(163,150)</u>
As at 31 December 2009	<u> </u>

Group undertakings

At 31 December 2009 the company has the following subsidiary companies, which are all included in the consolidated accounts. All equity holdings are in Ordinary shares

	Equity held	Principal business	Country of incorporation
Daylesford Organic Farms Limited	100%	Farming	Liberia
Wootton Organic Wholesale Limited	100%	Dormant	UK

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

13 STOCKS AND WORK IN PROGRESS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Stocks	1,612,227	1,599,071	781,372	852,582

14 DEBTORS

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	182,313	236,176	174,881	185,018
Amounts owed by group undertakings	119,970	1,093	111,443	667
Amounts owed by subsidiary undertakings	-	-	89,735	70,855
Amounts owed by related companies outside the JCB Service group	1,180,096	864,545	153,088	35,565
Other debtors	1,306,764	634,253	5,922	175,268
Prepayments and accrued income	105,106	145,466	6,384	8,133
	<u>2,894,249</u>	<u>1,881,533</u>	<u>541,453</u>	<u>475,506</u>

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank overdraft	21,606,316	20,403,937	4,004,042	4,412,781
Trade creditors	346,769	207,123	98,608	14,108
Amounts owed to group undertakings	14,576,661	12,027,302	3,163,610	2,596,107
Amounts owed to subsidiary undertakings	-	-	327,784	247,194
Amounts owed to related companies outside the JCB Service group	149,422	31,951	-	-
Other creditors	-	63,760	-	49,581
Directors loan account	536,148	442,732	-	-
Accruals	187,613	345,756	11,705	25,781
	<u>37,402,929</u>	<u>33,522,561</u>	<u>7,605,749</u>	<u>7,345,552</u>

Along with other companies that are members of the JCB Service Group, the group was party to the JCB Service Group banking facility known as the Mass Account. Under this facility, each company is jointly and severally liable for any liability to the bank collectively. In respect of the debt due to the bank by this group, provision has been made in the consolidated accounts for JCB Service. Since the end of the year the overdraft of Daylesford Organic Farms Limited has been replaced by a loan from JCB Farms Limited and Daylesford Organic Farms Limited is no longer included in the JCB Service Group's banking facility.

16 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts due to group undertakings	3,236,025	3,436,025	2,586,259	2,586,259
Amounts due to subsidiary undertakings	-	-	624,784	624,784
	<u>3,236,025</u>	<u>3,436,025</u>	<u>3,211,043</u>	<u>3,211,043</u>

The group loans which are unsecured, repayable on demand (subject to 12 months notice) and interest free are due to J C Bamford Excavators Limited. Provision has been made in the consolidated accounts for JCB Service.

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

17 PENSION SCHEME

The group is a participating employer in a defined benefit scheme J C Barnford Lifeplan. The scheme has a deficit of £38.1 million (2008 - £22.5 million), £27.5 million net of deferred tax (2008 - £16.2 million), calculated in accordance with FRS17. The amount charged to the profit and loss account in the year in respect of contributions to the scheme was £71,293 (2008 - £73,952). There were no prepaid contributions at either the beginning or end of the financial year.

18 OPERATING LEASE COMMITMENTS

The company has an informal obligation to pay £55,000 in 2010 (2008 - £55,000 payable in 2009), in respect of property rental to a group company. This commitment may extend beyond five years of the balance sheet date.

19 SHARE CAPITAL

	2009	2008
	£	£
Allotted, called up and fully paid Equity		
4 Ordinary shares of £1 each	4	4

20 RESERVES

		Profit and loss reserve £
GROUP		
Balance at 1 January 2009		(25,379,682)
Transfer from profit and loss account for the year		(935,249)
Balance at 31 December 2009		(26,314,931)
COMPANY		
Balance at 1 January 2009		(8,376,637)
Transfer from profit and loss account for the year		(281,530)
Balance at 31 December 2009		(8,658,167)

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Loss attributable to members of the group	(935,249)	(4,857,729)
Opening shareholders' deficit	(25,379,678)	(20,521,949)
Closing shareholders' deficit	(26,314,927)	(25,379,678)

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

22 RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	2009	2008
	£	£
Operating loss	(847,565)	(3,991,261)
Depreciation, amortisation and impairment charges	426,179	2,718,004
(Profit)/loss on disposal of fixed assets	(8,166)	154,654
(Increase)/decrease in stocks	(13,156)	(110,405)
(Increase)/decrease in debtors	(1,012,716)	1,799,168
Increase/(decrease) in creditors	2,677,989	4,083,874
Net cash inflow from operating activities	<u><u>1,222,565</u></u>	<u><u>4,654,034</u></u>

23 ANALYSIS OF CASH FLOWS

	2009	2008
	£	£
Returns on investment and servicing of finance		
Other interest paid	(87,684)	(866,468)
	<u><u>(87,684)</u></u>	<u><u>(866,468)</u></u>

24 ANALYSIS OF NET DEBT

	At start of period	Cash flow	At end of period
	£	£	£
Cash at bank and in hand	448	146	594
Bank overdraft	(20,403,937)	(1,202,379)	(21,606,316)
Cash and bank net funds	<u>(20,403,489)</u>	<u>(1,202,233)</u>	<u>(21,605,722)</u>
Debt due after one year	(3,436,025)	200,000	(3,236,025)
Change in debt	<u>(3,436,025)</u>	<u>200,000</u>	<u>(3,236,025)</u>
Net debt	<u><u>(23,839,514)</u></u>	<u><u>(1,002,233)</u></u>	<u><u>(24,841,747)</u></u>

JCB FARMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

25 RELATED PARTY TRANSACTIONS

Related party transactions

The group has taken advantage of the exemption, allowed under FRS 8, available to 90% and above owned subsidiary companies whose results are included in the consolidated financial statements that are made publicly available, not to disclose details of transactions with entities that are part of the group or investees of the group qualifying as related parties

The group occupies farm land, on the Daylesford Estate, which is owned by a director, Sir Anthony Bamford. In the year the group was charged rent by the Estate of £70,000 (2008 - £73,000)

During the year, the group received rent of £342,000 (2008 - £172,000) from JCB Service No 1 Pension Scheme, in respect of the lease arrangement for the farm shop operated by Daylesford Organic Limited, a company controlled by the Bamford family

J C Bamford Excavators Limited, the group's parent company incurred costs on behalf of the group and recharged them at cost. The value of these recharges was £2,307,000 (2008 - £4,538,000). The group also incurred costs on behalf of J C Bamford Excavators Limited, which it recharged at cost. The value of these recharges was £17,000 (2008 - £27,000). The net amount due to J C Bamford Excavators Limited at 31 December 2009 was £17,693,000 (2008 - £15,463,000)

During the year the group sold goods to, and incurred costs that it recharged at cost, on behalf of companies within the JCB World Brands Limited Group, companies in which Lady Bamford and her family are the shareholders, amounting to £865,000 (2008 - £308,000). The JCB World Brands Limited group of companies also incurred costs on behalf of the group, which it recharged at cost. The value of these recharges was £Nil (2008 - £17,000). The group also purchased goods from the JCB World Brands Limited group of companies amounting to £81,000 (2008 - £Nil). Rent is also charged from the JCB World Brands group of companies, in respect of the lease arrangement for the farm shop operated by Daylesford Organic Limited. The value of the rent was £44,000 (2008 - £37,000). The net amount due from the JCB World Brands group of companies at 31 December 2009 was £1,135,000 (2008 - £833,000)

All transactions with related parties are carried out at arms length on commercial terms

26 ULTIMATE CONTROLLING PARTY

The company is a wholly-owned subsidiary of J C Bamford Excavators Limited, which is itself a subsidiary of JCB Service, an unlimited liability company incorporated in England and Wales. The largest company to consolidate the accounts of J C Bamford Excavators Limited is Transmissions and Engineering Services Netherlands BV, a company incorporated in the Netherlands. Transmissions and Engineering Services Netherlands BV is ultimately controlled by Bamford family interests

Financial statements for Transmissions and Engineering Services Netherlands BV can be obtained from the Chamber of Commerce in Rotterdam