

WEREHAM GRAVEL COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

12 SEPTEMBER 2009

(Registered Number 101266)

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WEREHAM GRAVEL COMPANY LIMITED

Directors' Report and Financial Statements

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WEREHAM GRAVEL COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 52 week period ended 12 September 2009

1 Principal Activities

In the course of the period the principal activities were that of site reclamation. This activity will continue for the foreseeable future. During the year, the Directors have decided to diversify and to grow beet to sell to British Sugar plc, also a member of the ABF plc Group, commencing with the 2009 crop.

2 Business Review, Future Developments and Post Balance Sheet Event

During the period, the company expanded its activities by growing beet to supply British Sugar plc. The increased costs in this year represent the growing costs. The first harvest will be the 2009 and will be recognised in the 2010 financial statements.

3 Results, Dividends and Reserves

The profit and loss account for the period is set out on page 5. The company recorded a loss on ordinary activities after taxation amounting to £25,548 (2008 £4,734). Other operating income has been consistent during the period.

The loss of £25,548 was transferred to reserves. The balance sheet is presented on page 6 and is consistent with last year's.

The directors did not declare a dividend in respect of the period ended 12 September 2009 (2008 NIL).

4 Principal Risks and Uncertainties

The principal risk to the company is associated with the success of the annual crop. The weather is the significant component of this risk but the use of "robust" seeds and growers with a proven track record mean the risk is significantly reduced.

5 Property Values

The directors are of the opinion that the market value of interests in land and buildings at the end of the period exceeded the amounts included in the balance sheet, but they are unable to quantify the excess.

6 Directors

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

H J DAVENPORT
M I CARR

7 Interests of Directors in Shares and Debentures

Notifications of interests or rights to subscribe for the shares in this company or shares or debentures of other group companies by the directors was not required because at the end of the period each was also a director of a company of which this company is a wholly owned subsidiary.

No director had at any time during the period any material interest in a contract with the company, other than service contracts.

WEREHAM GRAVEL COMPANY LIMITED

DIRECTORS' REPORT continued

8 Directors Liability Insurance

During the 52 week period ended 12 September 2009 the parent company, ABF plc, maintained insurance for the directors to indemnify them against certain liabilities which they may incur in their capacity as directors of the company, including liabilities in respect of which the company is itself unable to provide an indemnity by virtue of Section 233 of the Companies Act 2006

9 Corporate Governance

Wereham Gravel Company Limited is part of the ABF plc group. Particulars of that company's compliance with the Combined Code are set out in its financial statements, which are available from the address in Note 14

10 Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This is further detailed in note 2. For this reason, they continue to adopt the going concern basis in preparing the accounts

11 Environment

Wereham Gravel recognises the impact that its business has on the environment. Therefore, as a minimum, it aims to comply with current applicable UK legislation and its operations are conducted with a view to ensuring that emissions do not cause unacceptable environmental impacts and do not offend the community and resources are used efficiently and waste is minimised by reducing, reusing or recycling where practical

12 Supplier Payment Policy

It is the company's policy to apply the company's standard terms of payment which are advised to suppliers at the time of placing orders, and then to make payment in accordance with those standard terms

There were no outstanding trade creditors at the balance sheet date (2008: NIL)

13 Political and Charitable Contributions

The company made no political or charitable contributions during the period (2008: NIL)


14 Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

15 Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors are deemed to have been reappointed and KPMG Audit Plc will therefore continue in office

By Order of the Board


R S Schofield
Secretary

Registered Office -
Weston Centre
10 Grosvenor Street
London
W1K 4QY

WEREHAM GRAVEL COMPANY LIMITED

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 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.

Independent auditors' report to the members of Wereham Gravel Company Limited

We have audited the financial statements of Wereham Gravel Company Limited for the 52 week period ended 12 September 2009 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 web-site at www.frc.org.uk/apb/scope/UKNP.

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 12 September 2009 and of its loss for the 52 week period then ended,
- have been properly prepared in accordance with UK 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 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.

Paul Sawdon (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
London

WEREHAM GRAVEL COMPANY LIMITED

Profit and Loss Account

(£)

Notes

	52 week period to <u>12 September 2009</u>	52 week period to <u>13 September 2008</u>
Administrative expenses	(34,310)	(3,057)
Other operating income	4,985	4,829
Operating (Loss)/Profit	<u>(29,325)</u>	<u>1,772</u>
3 Interest Payable and similar charges	<u>(6,158)</u>	<u>(8,535)</u>
4 Loss on Ordinary Activities before Taxation	(35,483)	(6,763)
5 Tax on Loss on Ordinary Activities	9,935	2,029
Loss on Ordinary Activities after Taxation	<u>(25,548)</u>	<u>(4,734)</u>
Retained Profit brought forward	119,945	124,679
Retained Profit carried forward	<u><u>94,397</u></u>	<u><u>119,945</u></u>

The notes on pages 7 to 9 form part of these financial statements

The company has made no acquisitions or discontinued any operations, within the meaning of Financial Reporting Standard 3, during either 2009 or 2008. Turnover and profit on ordinary activities, therefore, derive entirely from continuing operations

The company has no recognised gains or losses other than as stated above accordingly no Statement of total recognised gains and losses has been presented

WEREHAM GRAVEL COMPANY LIMITED

Balance Sheet

(£)

Notes

	<u>12 September 2009</u>	<u>13 September 2008</u>
Fixed Assets		
6 Tangible Assets	263,906	263,906
Current Assets		
7 Stock	1,728,962	-
8 Debtors amounts falling due within one year	4,905	1,176
	<u>1,733,867</u>	<u>1,176</u>
9 Creditors Amounts falling due within one year	<u>(1,902,876)</u>	<u>(144,637)</u>
Net Current Liabilities	(169,009)	(143,461)
Total Assets less Current Liabilities and Net Assets	<u>94,897</u>	<u>120,445</u>
Capital and Reserves		
11 Called up share capital	500	500
Profit and loss account	94,397	119,945
12 Equity Shareholders' funds	<u>94,897</u>	<u>120,445</u>

The notes on pages 7 to 9 form part of these financial statements The financial statements were approved by the Board on 23 December 2009 and signed on its behalf by



M I CARR
Director

WEREHAM GRAVEL COMPANY LIMITED

Notes to the Financial Statements

1 Accounting Reference Date

These financial statements have been prepared for the 52 week period ended 12 September 2009

2 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

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

Notwithstanding net current liabilities of £169,009 the financial statements have been prepared on a going concern basis. The company has received assurance from its immediate parent company, British Sugar plc, that it will, for the foreseeable future, make available such financial support as is necessary for the company to meet its liabilities, in the normal course of its activities, as they fall due for payment

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Depreciation

It is not the policy of the Directors to provide for depreciation on freehold land

Taxation

The tax charge or credit is based on the profit or loss for the period

Stock

Stock represents new crop expenditure on the 2009/10 crop of sugar beet. Expenditure relating to this crop is carried forward as a production work in progress at actual cost

3 Interest Payable and similar charges

The balance consists of intercompany interest on a loan with British Sugar plc, the company's immediate holding company. The loan was created on 19 September 2004. Interest is calculated based on LIBOR + 25bps. LIBOR is to be taken as the 6 month LIBOR Inter-bank Offer Rate in the currency of the funds borrowed, as quoted by Reuters, and re-set thereafter twice yearly on 25 February and 25 August. The term is based on any amount borrowed by British Sugar plc or Wereham Gravel Company Ltd under the terms of the agreement shall be repaid, together with any accrued interest on such date as shall be specified by the lending company by not less than five days written notice

4 Profits on Ordinary Activities before Taxation

The Directors received no emoluments during the period in respect of services provided to the company (2008: NIL). The company had no employees during the period (2008: NIL)

Audit fees for the period ended 12 September 2009 have been borne by the immediate parent company, British Sugar plc

WEREHAM GRAVEL COMPANY LIMITED

Notes to the Financial Statements

5 Taxation (£)

	52 week period to <u>12 September 2009</u>	52 week period to <u>13 September 2008</u>
UK Corporation Tax Credit	(9,935)	(2,029)
	<u> </u>	<u> </u>

The corporation tax refund for the current period does not differ from the standard rate of corporation tax for the UK of 28% (2008 29.082%)

6 Tangible Fixed Assets (£)

	<u>12 September 2009</u>	<u>13 September 2008</u>
Freehold land		
Cost and net book value	263,906	263,906
	<u> </u>	<u> </u>

The Directors are of the opinion that the book value of the freehold land does not exceed its fair value

7 Stock (£)

	<u>12 September 2009</u>	<u>13 September 2008</u>
New crop expenditure	1,728,962	-
	<u> </u>	<u> </u>

8 Debtors: amounts falling due within one year (£)

	<u>12 September 2009</u>	<u>13 September 2008</u>
Prepayments and accrued income	1,290	1,176
Corporation tax debtors	3,615	-
	<u>4,905</u>	<u>1,176</u>
	<u> </u>	<u> </u>

9 Creditors: Amounts falling due within one year (£)

	<u>12 September 2009</u>	<u>13 September 2008</u>
Amounts owed to group undertakings	1,902,876	144,637
	<u> </u>	<u> </u>

10 Contingent Liabilities

The company, together with British Sugar plc and certain fellow UK subsidiary undertakings is party to a set-off agreement in respect of its bank accounts with certain of the group's bankers

11 Called up Share Capital (£)

	<u>12 September 2009</u>	<u>13 September 2008</u>
Authorised, allotted, issued and fully paid:		
500 ordinary shares of £1 each	500	500
	<u> </u>	<u> </u>

WEREHAM GRAVEL COMPANY LIMITED

Notes to the Financial Statements

12 Reconciliation of movements in shareholders' funds (£)

	<u>12 September 2009</u>	<u>13 September 2008</u>
Opening shareholders' funds	120,445	125,179
Loss for the financial period	(25,548)	(4,734)
Closing shareholders' funds	<u>94,897</u>	<u>120,445</u>

13 Related Party Transactions

The company, being a 100 per cent subsidiary of ABF Investments plc, has taken advantage of the Financial Reporting Standard 8 exemption not to disclose related party transactions with other entities in the same group

14 Holding Company

The company's immediate holding company is British Sugar plc, a company registered and incorporated in England. The accounts of this company are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London W1K 4QY.

The company's ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England.

The largest group in which the results of the company are consolidated is that headed by Wittington Investments Limited. The smallest group in which they are consolidated is that headed by ABF Investments plc, which is incorporated in Great Britain and registered in England. The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London W1K 4QY.