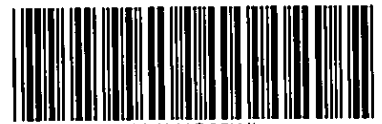


## **TURNERS TURKEYS LIMITED**

Report and financial statements for the  
financial period ended 1st July, 2012

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# **TURNERS TURKEYS LIMITED**

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**DIRECTORS' REPORT**

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The Directors present their report and the audited financial statements for the financial period ended 1st July, 2012

**1 Principal activities and business review**

During the financial period the principal activity of the Company was that of holding property and other fixed assets which are leased to other group companies. The income was reduced during the year as a refund was given for the current and prior year for three properties that were not being utilised. This reduction will continue until the properties are required.

**2 Financial risk management**

Given that the status of the Company is that of a small company providing services to Bernard Matthews Limited, its parent company, it is exposed to limited financial risks. Those financial risks the Bernard Matthews Limited group faces have been disclosed within the financial statements of Bernard Matthews Limited for the financial period ended 1st July, 2012. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the finance department of Bernard Matthews Limited.

**3 Trading results and dividends**

The profit and loss account for the 12 month financial period ended 1st July, 2012 shows a profit before tax of **£4,221,500** (18 months to 3rd July, 2011: £6,560,780) and a profit after tax of **£4,536,454** (2011: £5,297,766).

The Directors do not recommend the payment of a dividend for the financial period ended 1st July, 2012 (18 months to 3rd July, 2011: £nil).

**4 Directors**

The Directors who held office during the financial period and up to the date of signing the financial statements are given below:

N F Bartram

A J Simpson (appointed 9th July, 2012)

Y C M Goldingham L L B (Hons) (appointed 3rd September, 2012)

D M Reger (resigned 9th July, 2012)

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**DIRECTORS' REPORT**

continued

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**5 Statement of directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared 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,
- 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, in which case there should be supporting assumptions or qualifications as necessary

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.

**6 Directors' third-party indemnity provision**

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force for the benefit of each of the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial year.

**7 Statement of disclosure of information to auditors**

So far as each Director is aware, there is no relevant information of which the Company's auditors are unaware. Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**8 Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the board



**Y. C. M. Goldingham L.L.B. (Hons)**

Company secretary  
Great Witchingham Hall  
Norwich, NR9 5QD

23 October, 2012

**INDEPENDENT AUDITORS' REPORT**

to the members of Turners Turkeys Limited

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We have audited the financial statements of Turners Turkeys Limited for the year ended 1st July, 2012 which comprise the profit and loss account, the balance sheet 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 2 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 directors' report to identify material inconsistencies with the audited financial statements. 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 1st July, 2012 and of its profit 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 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

  
Christopher Maw (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Norwich

26 October 2012

**TURNERS TURKEYS LIMITED****PROFIT AND LOSS ACCOUNT**

for the financial period ended 1st July, 2012

	Notes	2012 £ (12 mths to 1 July 2012)	2011 £ (18mths to 3 July 2011)
<b>Turnover</b>	2	<b>7,001,858</b>	11,115,007
<b>Operating profit</b>	3	<b>4,221,500</b>	6,560,780
<b>Profit on ordinary activities before taxation</b>		<b>4,221,500</b>	6,560,780
Tax on profit on ordinary activities	5	<b>243,580</b>	(1,263,014)
<b>Profit for the financial period</b>	10	<b>4,465,080</b>	5,297,766

All items dealt with in the profit and loss account for 2012 and 2011 relate to continuing operations

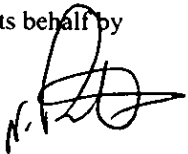
The Company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

**TURNERS TURKEYS LIMITED****BALANCE SHEET**

as at 1st July, 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	6	46,770,349	49,377,361
<b>Creditors - Amounts falling due after more than one year</b>	7	(23,826,391)	(30,654,903)
<b>Provisions for liabilities</b>	8	(276,371)	(519,951)
<b>Net assets</b>		22,667,587	18,202,507
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account	10	22,667,487	18,202,407
<b>Total shareholders' funds</b>	11	22,667,587	18,202,507

The financial statements on pages 4 to 11 were approved by the board of directors on 23 October, 2012 and were signed on its behalf by



**N F Bartram**  
Director

Registered No 00701295

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NOTES TO FINANCIAL STATEMENTS

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**1 Principal accounting policies**

**(a) Basis of financial statements**

The Company prepares its financial statements on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been consistently applied, are set out below.

The accounting periods of the Company end on the Sunday nearest to 30th June, which results in financial periods of either 52 or 53 weeks. In 2011 the financial period was 78 weeks as the accounting reference date was changed from being the Sunday nearest to 31st December.

**(b) Cash flow statement and related party disclosures**

The ultimate parent undertaking for which Group financial statements are drawn up and of which the Company is a member is Bernard Matthews Holdings Limited. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard, 'FRS', 1 'Cash Flow Statements (revised 1996)'.

The Company is also exempt under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of the Bernard Matthews Holdings Limited Group or investees of the Bernard Matthews Holdings Limited Group.

**(c) Deferred taxation**

The Company accounts for deferred taxation in accordance with FRS 19 'Deferred Tax' which requires full provision to be made for deferred taxation assets and liabilities. Deferred taxation assets are not recognised if the future transfer of economic benefits is uncertain. Deferred taxation is measured on a non-discounted basis.

**(d) Depreciation**

Equipment leased to the immediate parent undertaking under operating leases is capitalised on acquisition.

Depreciation is first charged when fixed assets are brought into use and is calculated to write off the cost in equal annual instalments at the following principal rates:

Freehold land	Nil
Freehold buildings	2-10%
Poultry houses	2-3%
Plant and machinery	4-33%

**(e) Turnover and leases**

Income in respect of operating leases is recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the consideration and hence are recognised on the same, straight-line basis.

The Finance & Leasing Association SORP is fully complied with. There are no unguaranteed residual interests, contingent liabilities or uncertainties arising from leasing transactions.



## TURNERS TURKEYS LIMITED

### NOTES TO FINANCIAL STATEMENTS

continued

#### 2 Turnover

All turnover originates in the UK and represents rentals receivable under operating leases with Bernard Matthews Limited and Lincs Turkeys Limited

#### 3 Operating profit

	2012 £ (12 mths to 1 July 2012)	2011 £ (18 mths to 3 July 2011)
Rental receivable under operating leases	7,001,858	11,115,007
Depreciation	(2,614,056)	(4,143,287)
Loss on sale of fixed assets	-	(183,330)
Other operating charges	(166,302)	(227,610)
Total operating profit	4,221,500	6,560,780

The auditors' remuneration of **£1,900** (2011 £1,900) was borne by the parent company, Bernard Matthews Limited, without recharge

#### 4 Directors' emoluments

The Directors received no emoluments in the financial period to 1st July, 2012 (2011 £nil) in respect of their services to the Company. There are no other employees of the Company (2011 none)

## NOTES TO FINANCIAL STATEMENTS

continued

## 5 Taxation on profit on ordinary activities

	2012 £ (12 mths to 1 July 2012)	2011 £ (18 mths to 3 July 2011)
<b>Current Taxation</b>		
UK corporation tax	-	-
<b>Deferred Taxation</b>		
Origination and reversal of timing differences	(600,265)	2,111,319
Adjustment in respect of prior periods	396,683	(901,381)
Change in tax rate	(39,998)	53,076
Total deferred taxation	(243,580)	1,263,014
Taxation on profit on ordinary activities	(243,580)	1,263,014

The taxation assessed for the financial period differs from the standard rate of corporation tax in the UK 25.5% (2011 27.67%). The differences are explained below

	2012 £ (12 mths to 1 July 2012)	2011 £ (18 mths to 3 July 2011)
Profit on ordinary activities before taxation	4,221,500	6,560,780
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 25.50% (2011 27.67%)	1,076,483	1,815,368
Permanent differences	-	295,951
Excess of depreciation charges over capital allowances	452,411	(1,790,915)
Other timing differences	-	(320,404)
Utilisation of previously unrecognised tax losses	(1,296,930)	-
Inter-company interest recognised for tax purposes	(180,133)	-
Group relief claimed without payment	(51,831)	-
Current taxation charge for the financial period	-	-

**Factors that may affect future charges:**

Unrelieved tax losses as shown in note 8 are available to be utilised in the coming years. During the period, as a result of the change in the UK main corporation tax rate from 26% to 24% effective from 1 April 2012, the relevant deferred tax balances have been re-measured. Further reductions to the UK corporation tax rate were announced in the 2012 budget but as these had not been substantively enacted at the balance sheet date the changes are not recognised in these financial statements.

NOTES TO FINANCIAL STATEMENTS

continued

6 Fixed assets - Tangible assets

	Freehold land and buildings £	Plant and machinery (including poultry houses) £	Totals £
Cost at 4th July, 2011	37,330,586	22,154,401	59,484,987
Disposals	-	(803)	(803)
<b>Cost at 1st July, 2012</b>	<b>37,330,586</b>	<b>22,153,598</b>	<b>59,484,184</b>
Depreciation at 4th July, 2011	6,339,189	3,768,437	10,107,626
Charge for the financial period	1,452,279	1,161,777	2,614,056
Disposals	-	(803)	(803)
Adjustment	(7,044)	-	(7,044)
<b>Depreciation at 1st July, 2012</b>	<b>7,784,424</b>	<b>4,929,411</b>	<b>12,713,835</b>
<b>Net book value at 1st July, 2012</b>	<b>29,546,162</b>	<b>17,224,187</b>	<b>46,770,349</b>
3rd July, 2011	30,991,397	18,385,964	49,377,361

7 Creditors - Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to parent company	23,826,391	30,654,903

Amounts owed to parent company are unsecured, interest free and have no fixed date of repayment

**TURNERS TURKEYS LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

continued

**8 Provision for liabilities**

**Deferred tax**

	2012 £	2011 £
At 4th July, 2011	(519,951)	743,063
Charged to the profit and loss account	243,580	(1,263,014)
<b>At 1st July, 2012</b>	<b>(276,371)</b>	<b>(519,951)</b>

	2012 £	2011 £
Depreciation in excess of capital allowances	(424,225)	(519,951)
Tax losses	147,854	-
<b>Total deferred tax</b>	<b>(276,371)</b>	<b>(519,951)</b>

Deferred tax has been calculated at 24% (2011 26%)

**9 Called up share capital**

	2012 £	2011 £
<b>Authorised, allotted, called up and fully paid</b>		
100 (2011 100) ordinary shares of £1 (2011 £1) each	100	100

**10 Profit and loss account**

	2012 £	2011 £
Balance at 4th July, 2011	18,202,407	12,904,641
Profit for financial period	4,465,080	5,297,766
<b>Balance at 1st July, 2012</b>	<b>22,667,487</b>	<b>18,202,407</b>

## NOTES TO FINANCIAL STATEMENTS

continued

**11 Reconciliation of movements in total shareholders' funds**

	2012 £	2011 £
Opening total shareholders' funds	18,202,507	12,904,741
Profit for financial period	4,465,080	5,297,766
Closing total shareholders' funds	22,667,587	18,202,507

**12 Contingent liabilities**

At 1st July, 2012 the Company was guarantor with other group companies, of loans totalling **£32,020,000** (2011 £32,806,000), made by the Group's bankers

**13 Ultimate parent company and ultimate controlling party**

The Company is a wholly owned subsidiary of Bernard Matthews Limited, which is the parent undertaking of the smallest group to consolidate these financial statements, registered in England and Wales. The ultimate parent undertaking for which group financial statements are drawn up and of which the Company is a member is Bernard Matthews Holdings Limited, registered in England and Wales. Copies of that company's financial statements can be obtained from the registrar, Companies House, Crown Way, Mandy, Cardiff. For the purposes of FRS 8, the Directors consider the family of the late Bernard Matthews to be the ultimate controlling party.