

TURNERS TURKEYS LIMITED

Report and financial statements for the
financial period ended 3rd January, 2010

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TURNERS TURKEYS LIMITED

CONTENTS

Directors' report	1
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6-11

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the financial period ended 3rd January, 2010

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 its parent company

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 3rd January, 2010. 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 financial period ended 3rd January, 2010 shows a profit of **£3,722,524** (2008 £3,787,492) before tax and a profit of **£2,731,624** (2008 £3,102,549) thereafter.

The Directors do not recommend the payment of a dividend for the financial period ended 3rd January, 2010 (2008 £nil).

4 Going concern

At 3rd January, 2010 the Company is a guarantor, with other Group companies, of loans totaling **£34,905,000** (2008 £43,821,000) made by the Group's bankers. The existing facility has been renewed through to June 2013 with the Group's current UK bankers.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

5 Directors

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

B T Matthews (resigned 24th January, 2010)
N F Bartram
D M Reger

DIRECTORS' REPORT
continued

6 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 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 those financial statements, the Directors are required to

1. Select suitable accounting policies and then apply them consistently,
2. Make judgements and estimates that are reasonable and prudent,
3. State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
4. 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 confirm that they have complied with the above requirements in preparing the financial statements.

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 to 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.

7 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.

8 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.

9 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



D. M. Reger
Company secretary
Great Witchingham Hall
Norwich, NR9 5QD
7th June, 2010

INDEPENDENT AUDITORS' REPORT

to the members of Turners Turkeys Limited

We have audited the financial statements of Turners Turkeys Limited for the period ended 3rd January, 2010 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 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.

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 3rd January, 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

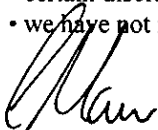
Opinion on other matter prescribed by the Companies Act 2006

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
7th June, 2010

TURNERS TURKEYS LIMITED**PROFIT AND LOSS ACCOUNT**

for the financial period ended 3rd January, 2010

	Notes	2009 £	2008 £
Turnover	2	6,562,175	6,562,175
Operating profit	3	3,722,524	3,787,492
Profit on ordinary activities before taxation		3,722,524	3,787,492
Tax on profit on ordinary activities	5	(990,900)	(684,943)
Profit for the financial period	11	2,731,624	3,102,549

All items dealt with in the profit and loss account for 2009 and 2008 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

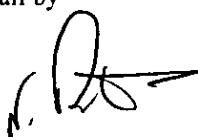
TURNERS TURKEYS LIMITED

BALANCE SHEET

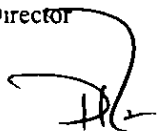
as at 3rd January, 2010

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	6	50,007,445	52,846,130
Current assets			
Deferred taxation (falling due after more than one year)	9	743,063	1,220,008
Creditors - Amounts falling due within one year	7	(1,232,324)	(2,425,665)
Net current liabilities		(489,261)	(1,205,657)
Total assets less current liabilities		49,518,184	51,640,473
Creditors - Amounts falling due after more than one year	8	(36,613,443)	(41,467,356)
Net assets		12,904,741	10,173,117
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	12,904,641	10,173,017
Total shareholders' funds	12	12,904,741	10,173,117

The financial statements on pages 4 to 11 were approved by the board of directors on 7th June, 2010 and were signed on its behalf by



N. F. Bartram
Director



D. M. Reger
Director

NOTES TO FINANCIAL STATEMENTS

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 are set out below. The Company's accounting periods end on the Sunday nearest to 31st December, which results in financial periods of either 52 or 53 weeks.

(b) Going concern

At 3rd January, 2010 the Company is a guarantor, with other Group companies, of loans totally **£34,905,000** (2008: £43,821,000) made by the Group's bankers. The existing facility has been renewed through to June 2013 with the Group's current UK bankers.

The Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

(c) 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.

(d) 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.

(e) 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%

TURNERS TURKEYS LIMITED

NOTES TO FINANCIAL STATEMENTS

continued

(f) 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.

2 Turnover

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

3 Operating profit

	2009 £	2008 £
Rental receivable under operating leases	6,562,175	6,562,175
Depreciation	(2,838,685)	(2,800,490)
Profit on sale of fixed assets	-	25,906
Other operating charges	(966)	(99)
Total operating profit	3,722,524	3,787,492

The auditors' remuneration of £1,900 (2008 £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 3rd January, 2010 (2008 £nil). There are no other employees of the Company.

TURNERS TURKEYS LIMITED

NOTES TO FINANCIAL STATEMENTS

continued

5 Taxation on profit on ordinary activities

	2009 £	2008 £
Current Taxation		
UK corporation tax at 28% (2008 28.5%)	516,433	120,890
Adjustment in respect of prior periods	(2,478)	(696)
Total current taxation	513,955	120,194
Deferred Taxation		
Origination and reversal of timing differences	499,308	61,226
Adjustment in respect of prior periods	(22,363)	503,523
Total deferred taxation	476,945	564,749
Taxation on profit on ordinary activities	990,900	684,943

The taxation assessed for the financial period is lower (2008 lower) than the standard rate of corporation tax in the UK (28%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before taxation	3,722,524	3,787,492
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	1,042,307	1,079,435
Excess of depreciation charges over capital allowances	174,421	612,503
Other timing differences	(673,729)	(673,729)
Permanent differences	(26,566)	(897,319)
Adjustment in respect of prior periods	(2,478)	(696)
Current taxation charge for the financial period	513,955	120,194

TURNERS TURKEYS LIMITED

NOTES TO FINANCIAL STATEMENTS

continued

6 Fixed assets - Tangible assets

	Freehold land and buildings £	Plant and machinery (including poultry houses) £	Totals £
Cost at 29th December, 2008	36,471,902	20,444,668	56,916,570
Reclassification	(228,632)	228,632	-
Cost at 3rd January, 2010	36,243,270	20,673,300	56,916,570
Depreciation at 29th December, 2008	1,449,735	2,620,705	4,070,440
Charge for the financial period	1,721,115	1,117,570	2,838,685
Reclassification	721,795	(721,795)	-
Depreciation at 3rd January, 2010	3,892,645	3,016,480	6,909,125
Net book value at 3rd January, 2010	32,350,625	17,656,820	50,007,445
28th December, 2008	35,022,167	17,823,963	52,846,130

7 Creditors. Amounts falling due within one year

	2009 £	2008 £
Other creditors	1,232,324	2,425,665

8 Creditors - Amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to parent company	36,613,443	40,254,523
Other creditors	-	1,212,833
	36,613,443	41,467,356

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

TURNERS TURKEYS LIMITED

NOTES TO FINANCIAL STATEMENTS

continued

9 Deferred tax

	2009 £	2008 £
At 29th December, 2008	1,220,008	1,784,757
Charged to the profit and loss account	(476,945)	(564,749)
At 3rd January, 2010	743,063	1,220,008

	2009 £	2008 £
Depreciation in excess of capital allowances	398,012	201,229
Other timing differences	345,051	1,018,779
Total deferred tax	743,063	1,220,008

Deferred tax has been calculated at a rate of 28%

10 Called up share capital

	2009 £	2008 £
Authorised, allotted, called up and fully paid 100 (2008 100) ordinary shares of £1 each	100	100

11 Profit and loss account

	2009 £	2008 £
Balance at 29th December, 2008	10,173,017	7,070,468
Profit for financial period	2,731,624	3,102,549
Balance at 3rd January, 2010	12,904,641	10,173,017

NOTES TO FINANCIAL STATEMENTS

continued

12 Reconciliation of movements in total shareholders' funds

	2009 £	2008 £
Opening total shareholders' funds	10,173,117	7,070,568
Retained profit for financial period	2,731,624	3,102,549
Closing total shareholders' funds	12,904,741	10,173,117

13 Contingent liabilities

At 3rd January, 2010 the Company was guarantor with other group companies, of loans totalling £34,905,000 (2008 £43,821,000), made by the Group's bankers

14 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, Maindy, Cardiff. For the purposes of FRS 8, the Directors consider the Bernard Matthews family to be the ultimate controlling party.