

WALSTON POULTRY FARM LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2000



WALSTON POULTRY FARM LIMITED

COMPANY INFORMATION

Directors	Mrs B G Friend I G Friend
Secretary	Mrs B G Friend
Company number	705559
Registered office	East Down Packing Station Winterbourne Whitchurch Blandford Dorset DT11 9AS
Auditors	Smith & Williamson Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG
Bankers	National Westminster Bank plc The Square 5 Old Christchurch Road Bournemouth Dorset BH1 1DU
Solicitors	Lester Aldridge Russell House Oxford Road Bournemouth Dorset BH8 8EX

WALSTON POULTRY FARM LIMITED

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WALSTON POULTRY FARM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

The directors present their report with the audited financial statements of the company for the year ended 30 April 2000.

Principal activities and review of the business

The principal activity of the company in the year under review was that of the rearing of poultry to the point of lay, and the production and packaging of eggs.

Results and dividends

The results for the year and the financial position of the company at the year end are shown in the annexed financial statements.

No dividends will be distributed for the year ended 30 April 2000 (1999 : £nil). The loss transferred to reserves will be £226,980 (1999: loss of £4,495).

Directors

The following directors have held office since 1 May 1999:

Mrs B G Friend
I G Friend

Directors' interests

The directors' interests in the issued share capital of the company, were as stated below:

	ordinary shares of £1 each	
	30 April 2000	1 May 1999
Mrs B G Friend	-	-
I G Friend	-	-

Neither director had any interest in the issued share capital of the company during the year. The directors' interests in the issued share capital of the ultimate holding company are disclosed in that company's financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Smith & Williamson be reappointed as auditors of the company will be put to the Annual General Meeting.

WALSTON POULTRY FARM LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

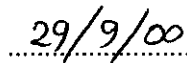
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board:



Mrs B G Friend

Director



WALSTON POULTRY FARM LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WALSTON POULTRY FARM LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

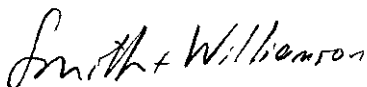
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Smith & Williamson

Chartered Accountants
Registered Auditors

4 October 2000

Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire SP1 1BG

WALSTON POULTRY FARM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

	Notes	2000 £	1999 £
Turnover	2	3,347,623	3,559,433
Cost of sales		(2,089,824)	(2,109,739)
Gross profit		1,257,799	1,449,694
Administrative expenses		(1,548,118)	(1,496,840)
Other operating income		11,951	5,379
Operating loss	3	(278,368)	(41,767)
Investment income	4	11,185	8,557
Other interest receivable and similar income		22,774	38,349
Amounts written off investments	5	10,244	-
Interest payable and similar charges	6	(850)	-
(Loss)/profit on ordinary activities before taxation		(235,015)	5,139
Tax on (loss)/profit on ordinary activities	7	8,035	(9,634)
Loss on ordinary activities after taxation	16	(226,980)	(4,495)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

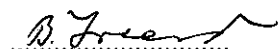
There are no recognised gains and losses other than those passing through the profit and loss account.

WALSTON POULTRY FARM LIMITED

BALANCE SHEET AS AT 30 APRIL 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	8	3,292,353		3,394,205	
Investments	9	826,363		413,734	
		<u>4,118,716</u>		<u>3,807,939</u>	
Current assets					
Stocks	10	439,555		529,624	
Debtors	11	366,119		405,889	
Cash at bank and in hand		600,771		1,042,683	
		<u>1,406,445</u>		<u>1,978,196</u>	
Creditors: amounts falling due within one year	12	<u>(1,584,443)</u>		<u>(1,618,437)</u>	
Net current (liabilities)/assets		<u>(177,998)</u>		<u>359,759</u>	
Total assets less current liabilities		<u>3,940,718</u>		<u>4,167,698</u>	
Capital and reserves					
Called up share capital	15	3,269,050		3,269,050	
Other reserves	16	4,282		4,282	
Profit and loss account	16	667,386		894,366	
Shareholders' funds - equity interests	17	<u>3,940,718</u>		<u>4,167,698</u>	

The financial statements were approved by the Board on 29/9/00



Mrs B G Friend
Director

WALSTON POULTRY FARM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

	2000 £	1999 £
Net cash inflow from operating activities	157,697	35,277
Returns on investments and servicing of finance		
Interest received	22,774	38,349
Dividends received	4,446	8,557
Interest paid	(850)	-
	<u> </u>	<u> </u>
Net cash inflow for returns on investments and servicing of finance	26,370	46,906
Taxation	(7,708)	(15,445)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(173,159)	(61,049)
Payments to acquire investments	(469,458)	(4,037)
Receipts from sale of tangible assets	3,920	31,320
Receipts from sale of investments	73,812	-
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure and financial investment	(564,885)	(33,766)
	<u> </u>	<u> </u>
(Decrease)/increase in cash in the year	<u><u>(388,526)</u></u>	<u><u>159,641</u></u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

1	Reconciliation of operating loss to net cash inflow from operating activities	2000		1999	
		£		£	
	Operating loss	(278,368)		(41,767)	
	Depreciation of tangible assets	275,011		280,963	
	Profit on disposal of tangible assets	(3,920)		(10,681)	
	Decrease in stocks	90,069		2,556	
	Decrease/(increase) in debtors	48,100		(126,669)	
	Increase in creditors	26,805		57,544	
	Net cash inflow from operating activities	157,697		161,946	
2	Analysis of net funds	1 May 1999	Cash flow	Other non-cash changes	30 April 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,042,683	(441,912)		600,771
	Bank overdrafts	(109,015)	53,386		(55,629)
	Net funds	933,668	(388,526)	-	545,142
3	Reconciliation of net cash flow to movement in net funds	2000		1999	
		£		£	
	(Decrease)/increase in cash in the year	(388,526)		159,641	
	Movement in net funds in the year	(388,526)		159,641	
	Opening net funds	933,668		774,027	
	Closing net funds	545,142		933,668	

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

1 Accounting policies

1.1 Accounting convention

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

1.2 Turnover

Turnover represents amounts receivable for sales of goods and services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	- 2% straight line
Agricultural buildings	- 4% straight line
Agricultural equipment	- 10% on reducing balance
Office equipment	- 15% on reducing balance
Motor vehicles, tractors and trailers	- 25% on reducing balance

1.4 Leasing

Rentals payable under operating lease agreements are charged to the profit and loss account as they are incurred.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

1.6 Stock

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

1.7 Pensions

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its parent company comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

3	Operating loss	2000	1999
		£	£
	The operating loss is stated after charging:		
	Depreciation of tangible assets	275,011	280,963
	Operating lease rentals	936	936
	Auditors' remuneration	6,515	6,120
	Remuneration of auditors for non-audit work	7,256	4,130
	and after crediting:		
	Rents receivable	(5,201)	(5,379)
		<u><u> </u></u>	<u><u> </u></u>
4	Income from investments, other interest receivable and similar income	2000	1999
		£	£
	Income from listed investments	3,056	3,806
	Income from unlisted investments	59	1,090
	Scrip dividend	1,331	3,661
	Profit on disposal of listed investments	6,739	-
		<u><u> </u></u>	<u><u> </u></u>
		11,185	8,557
		<u><u> </u></u>	<u><u> </u></u>
	Bank interest	21,474	38,347
	Other interest	1,300	2
		<u><u> </u></u>	<u><u> </u></u>
		22,774	38,349
		<u><u> </u></u>	<u><u> </u></u>
5	Amounts written off investments	2000	1999
		£	£
	Amount written off in prior years written back	(10,244)	-
		<u><u> </u></u>	<u><u> </u></u>
6	Interest payable	2000	1999
		£	£
	VAT assessment interest	850	-
		<u><u> </u></u>	<u><u> </u></u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

7	Taxation	2000 £	1999 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 21%)	(8,308)	7,413
	Tax credit on franked investment income	277	594
		<u>(8,031)</u>	<u>8,007</u>
	Prior years		
	U.K. corporation tax	(4)	1,627
		<u>(8,035)</u>	<u>9,634</u>

8	Tangible fixed assets	Land and buildings	Agricultural buildings	Agricultural equipment	Office equipment	Motor vehicles, tractors and trailers	Total
		£	£	£	£	£	£
	Cost						
	At 1 May 1999	482,826	1,723,126	2,789,945	17,252	497,420	5,510,569
	Additions	-	21,548	116,161	1,721	33,729	173,159
		<u>482,826</u>	<u>1,744,674</u>	<u>2,906,106</u>	<u>18,973</u>	<u>531,149</u>	<u>5,683,728</u>
	At 30 April 2000	482,826	1,744,674	2,906,106	18,973	531,149	5,683,728
	Depreciation						
	At 1 May 1999	-	459,351	1,304,979	9,012	343,022	2,116,364
	Charge for the year	4,697	68,182	160,113	1,394	40,625	275,011
		<u>4,697</u>	<u>527,533</u>	<u>1,465,092</u>	<u>10,406</u>	<u>383,647</u>	<u>2,391,375</u>
	At 30 April 2000	4,697	527,533	1,465,092	10,406	383,647	2,391,375
	Net book value						
	At 30 April 2000	<u>478,129</u>	<u>1,217,141</u>	<u>1,441,014</u>	<u>8,567</u>	<u>147,502</u>	<u>3,292,353</u>
	At 30 April 1999	<u>482,826</u>	<u>1,263,775</u>	<u>1,484,966</u>	<u>8,240</u>	<u>154,398</u>	<u>3,394,205</u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

9 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 May 1999	161,818	270,922	432,740
Additions	469,458	-	469,458
Disposals	(50,000)	(17,073)	(67,073)
At 30 April 2000	581,276	253,849	835,125
Provisions for diminution in value			
At 1 May 1999	19,006	-	19,006
Charge for the year	(10,244)	-	(10,244)
At 30 April 2000	8,762	-	8,762
Net book value			
At 30 April 2000	572,514	253,849	826,363
At 30 April 1999	142,812	270,922	413,734
	Market value £	Directors' valuation £	Total £
At 30 April 2000	625,324	253,849	879,173
At 30 April 1999	185,505	270,922	456,427

10 Stocks

	2000 £	1999 £
Foodstock	38,119	62,487
Livestock	367,509	455,125
per profit and loss account	405,628	517,612
Eggs	26,594	8,727
Fuel and oil	7,333	3,285
	439,555	529,624

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

11 Debtors	2000 £	1999 £
Trade debtors	209,502	260,808
Corporation tax recoverable	8,610	280
Other debtors	1,800	1,500
Prepayments and accrued income	146,207	143,301
	<u>366,119</u>	<u>405,889</u>

Amounts falling due after more than one year included above are:

	2000 £	1999 £
Other debtors	<u>-</u>	<u>300</u>

12 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	55,629	109,015
Trade creditors	198,923	99,645
Amounts owed to parent undertaking	1,189,487	1,227,553
Corporation tax	-	7,413
Other taxes and social security costs	47,119	48,437
Accruals and deferred income	93,285	126,374
	<u>1,584,443</u>	<u>1,618,437</u>

13 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Not provided		Provided	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	213,854	215,961	-	-
Tax losses available	<u>(109,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>104,137</u>	<u>215,961</u>	<u>-</u>	<u>-</u>

No deferred taxation has been provided on the presumption that the relevant fixed assets are not to be sold in the immediate future.

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

14 Pension costs

The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company to the scheme and amounted to £30,985 (1999: £85,125).

15 Share capital	2000 £	1999 £
Authorised		
4,000,000 ordinary shares of £1 each	4,000,000	4,000,000
Allotted, called up and fully paid		
3,269,050 ordinary shares of £1 each	3,269,050	3,269,050

16 Statement of movements on reserves

	Other reserves £	Profit and loss account £
Balance at 1 May 1999	4,282	894,366
Retained loss for the year	-	(226,980)
Balance at 30 April 2000	4,282	667,386

17 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Loss for the financial year	(226,980)	(4,495)
Opening shareholders' funds	4,167,698	4,172,193
Closing shareholders' funds	3,940,718	4,167,698

18 Financial commitments

At 30 April 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £
Expiry date:		
Within one year	936	936

19 Capital commitments

There were no financial commitments at 30 April 2000 or at 30 April 1999.

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

20 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	84,905	116,160
Company pension contributions to money purchase schemes	16,000	65,000
	<u>100,905</u>	<u>181,160</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1999- 2).

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Production	88	67
Administration	6	6
	<u>94</u>	<u>73</u>

Employment costs

	£	£
Wages and salaries	873,169	794,487
Social security costs	72,495	61,149
Other pension costs	30,985	85,125
	<u>976,649</u>	<u>940,761</u>

22 Control

The company's ultimate parent undertaking at the balance sheet date was Walston Holdings Limited, a company registered in England & Wales.

23 Related party transactions

During the year, the company purchased grain at market value from Walston Holdings Limited, its parent company and a company of which Mrs B G Friend and I G Friend are also directors.

Expenses incurred by Walston Holdings Limited paid by Walston Poultry Farm Limited have been deducted from the balance owed by the latter, reducing the creditor to £1,189,487 per note 12.