

Company Registration No 705559 (England and Wales)

WALSTON POULTRY FARM LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007



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 Whitechurch Blandford Dorset DT11 9AS
Auditors	Nexia Smith & Williamson Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG
Accountants and taxation advisers	Smith & Williamson Limited Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG
Bankers	National Westminster Bank plc 5 Old Christchurch Road Bournemouth Dorset BH1 1DU
Solicitors	Lester Aldridge Russell House Oxford Road Bournemouth Dorset BH8 8EX

WALSTON POULTRY FARM LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 16

WALSTON POULTRY FARM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2007

The directors present their report with the audited financial statements of the company for the year ended 30 April 2007

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

Revenues for the year ended 30 April 2007 were £7,372,063 (2006 £5,051,614) and profit before tax amounted to £210,945 (2006 £492,078)

Results and dividends

The results for the year are set out in the profit and loss account

The retained profit transferred to reserves will be £117,706 (2006 £329,735) The directors do not recommend the payment of a dividend

The company gives appropriate consideration to risk management, objectives and policies Facilities are in place to deal with cash flow and liquidity risk Risk to pricing is mitigated by a diverse supplier portfolio Credit risk is managed through the adoption of a rigorous credit policy Exchange rate liquidity risk is minimal

Directors

The following directors have held office since 1 May 2006

Mrs B G Friend

I G Friend

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nexia 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 2007

Directors' responsibilities

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

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 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.

Statement of disclosure to auditor

So far as the directors are aware,

(a) there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



Mrs B G Friend

Director

15/10/07
Date 15/10/07

WALSTON POULTRY FARM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WALSTON POULTRY FARM LIMITED

We have audited the financial statements of Walston Poultry Farm Limited for the year ended 30 April 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes to the financial statements numbered 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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 the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We will also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Nexia Smith & Williamson

Nexia Smith & Williamson

Chartered Accountants

Registered Auditors

18/10/07

Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire
SP1 1BG

WALSTON POULTRY FARM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2007

	Notes	2007 £	2006 £
Turnover	2	7,372,063	5,051,614
Cost of sales		(4,639,586)	(2,455,823)
Gross profit		2,732,477	2,595,791
Administrative expenses		(2,488,561)	(2,152,723)
Other operating income		9,822	9,482
Operating profit	3	253,738	452,550
Investment income	4	562	12,797
Other interest receivable and similar income		31,645	26,731
Amounts written off investments	5	(75,000)	-
Profit on ordinary activities before taxation		210,945	492,078
Tax on profit on ordinary activities	6	(93,239)	(162,343)
Profit for the year	15	117,706	329,735

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

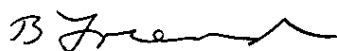
There are no recognised gains and losses other than those passing through the profit and loss account

WALSTON POULTRY FARM LIMITED

BALANCE SHEET AS AT 30 APRIL 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	7		3,829,222		3,963,254
Investments	8		56,633		131,071
			<u>3,885,855</u>		<u>4,094,325</u>
Current assets					
Stocks	9	799,538		842,785	
Debtors	10	1,168,096		592,610	
Cash at bank and in hand		831,929		578,321	
		<u>2,799,563</u>		<u>2,013,716</u>	
Creditors' amounts falling due within one year	11	(1,602,455)		(1,144,815)	
Net current assets			<u>1,197,108</u>		<u>868,901</u>
Total assets less current liabilities			<u>5,082,963</u>		<u>4,963,226</u>
Provisions for liabilities	12		(422,246)		(420,215)
			<u>4,660,717</u>		<u>4,543,011</u>
Capital and reserves					
Called up share capital	14		3,269,050		3,269,050
Other reserves	15		4,282		4,282
Profit and loss account	15		1,387,385		1,269,679
Shareholders' funds	16		<u>4,660,717</u>		<u>4,543,011</u>

Approved by the Board and authorised for issue on 15/10/07



Mrs B G Friend
Director

WALSTON POULTRY FARM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2007

	£	2007 £	£	2006 £
Net cash inflow from operating activities		587,347		297,893
Returns on investments and servicing of finance				
Interest received	31,645		26,731	
Dividends received	-		35	
Net cash inflow for returns on investments and servicing of finance		31,645		26,766
Taxation		(105,600)		(145,592)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(304,668)		(862,266)	
Receipts from sales of tangible assets	44,884		32,521	
Receipts from sales of investments	-		251,309	
Net cash outflow for capital expenditure		(259,784)		(578,436)
Increase/(decrease) in cash in the year		253,608		(399,369)

WALSTON POULTRY FARM LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2007

1	Reconciliation of operating profit to net cash inflow from operating activities		2007	2006
			£	£
	Operating profit		253,738	452,550
	Depreciation of tangible assets		391,554	385,121
	Loss on disposal of tangible assets		2,262	8,273
	Decrease/(increase) in stocks		43,247	(98,356)
	Increase in debtors		(575,486)	(31,413)
	Increase/(decrease) in creditors within one year		472,032	(418,282)
	Net cash inflow from operating activities		587,347	297,893
2	Analysis of net funds	1 May 2006	Cash flow	30 April 2007
		£	£	£
	Net cash			
	Cash at bank and in hand	578,321	253,608	831,929
3	Reconciliation of net cash flow to movement in net funds		2007	2006
			£	£
	Increase/(decrease) in cash in the year		253,608	(399,369)
	Movement in net funds in the year		253,608	(399,369)
	Opening net funds		578,321	977,690
	Closing net funds		831,929	578,321

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention with the exception of bonds (see 1.6 below)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

1.3 Revenue recognition

Turnover represents the amounts receivable, net of VAT, from the rearing of poultry and the production of eggs during the year, less any discounts given. Revenue is recognised once the company has met its contractual obligations, which is usually once the goods have been delivered.

1.4 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:

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

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Unlisted investments are stated at cost less provisions for impairment, based on the directors' valuation of the investments held.

Listed investments represent bonds held by the company which are stated at valuation. Bonuses accrued on bonds have been recognised in the profit and loss account in the year in which they are added.

1.7 Stock

Stocks are valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Any deferred tax asset is recognised to the extent that the asset is regarded as recoverable. Any recognised deferred tax asset or liability has not been discounted.

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

2 Turnover

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

3	Operating profit	2007 £	2006 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	391,554	385,121
	Loss on disposal of tangible assets	2,262	8,273
	Operating lease rentals		
	- Plant and machinery	-	1,313
	Auditors' remuneration	8,950	11,675

4	Investment income	2007 £	2006 £
	Income from fixed asset investments	562	12,797

5	Amounts written off investments	2007 £	2006 £
	Impairment in value of fixed asset investments	75,000	-

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

6	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	88,492	102,884
	Adjustment for prior years	2,716	(457)
	Current tax charge	<u>91,208</u>	<u>102,427</u>
	Deferred tax		
	Deferred tax charge - current year	2,031	59,916
		<u>93,239</u>	<u>162,343</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>210,945</u>	<u>492,078</u>
	Profit on ordinary activities before taxation multiplied by UK corporation tax of 30.00% (2006 - 30.00%)	<u>63,284</u>	<u>147,623</u>
	Effects of		
	Non deductible expenses	32,533	2,026
	Depreciation add back	118,086	118,018
	Capital allowances	(113,617)	(154,521)
	Adjustments to previous periods	2,576	(457)
	Dividends and distributions received	-	(10)
	Other tax adjustments	(11,654)	(10,252)
		<u>27,924</u>	<u>(45,196)</u>
	Current tax charge	<u>91,208</u>	<u>102,427</u>

The company has estimated losses of £ nil (2006 - £ 13,415) available for carry forward against future trading profits

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

7 Tangible fixed assets

	Land and buildings	Agricultural buildings	Agricultural equipment	Office equipment	Motor vehicles, tractors and trailers	Total
	£	£	£	£	£	£
Cost						
At 1 May 2006	482,826	2,304,718	4,651,945	35,505	720,401	8,195,395
Additions	-	46,685	78,824	14,979	164,180	304,668
Disposals	-	-	(21,734)	(92)	(139,741)	(161,567)
At 30 April 2007	482,826	2,351,403	4,709,035	50,392	744,840	8,338,496
Depreciation						
At 1 May 2006	32,879	1,024,866	2,608,330	22,037	544,029	4,232,141
On disposals	-	-	(2,173)	(57)	(112,191)	(114,421)
Charge for the year	4,697	94,056	210,288	4,262	78,251	391,554
At 30 April 2007	37,576	1,118,922	2,816,445	26,242	510,089	4,509,274
Net book value						
At 30 April 2007	445,250	1,232,481	1,892,590	24,150	234,751	3,829,222
At 30 April 2006	449,947	1,279,852	2,043,615	13,468	176,372	3,963,254

Included within land and buildings is land at a cost of £248,000 which has not been depreciated

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

8 Fixed asset investments

	Bonds £	Unlisted investments £	Total £
Cost or valuation			
At 1 May 2006	54,426	151,645	206,071
Bonuses accrued	562	-	562
	<hr/>	<hr/>	<hr/>
At 30 April 2007	54,988	151,645	206,633
	<hr/>	<hr/>	<hr/>
Provisions for impairment			
At 1 May 2006	-	75,000	75,000
Charge for the year	-	75,000	75,000
	<hr/>	<hr/>	<hr/>
At 30 April 2007	-	150,000	150,000
	<hr/>	<hr/>	<hr/>
Net book value or valuation			
At 30 April 2007	54,988	1,645	56,633
	<hr/>	<hr/>	<hr/>
At 30 April 2006	54,426	76,645	131,071
	<hr/>	<hr/>	<hr/>

9 Stocks

	2007 £	2006 £
Finished goods and goods for resale	799,538	842,785
	<hr/>	<hr/>

10 Debtors

	2007 £	2006 £
Trade debtors	1,060,312	515,359
Other debtors	58,853	44,401
Prepayments and accrued income	48,931	32,850
	<hr/>	<hr/>
	1,168,096	592,610
	<hr/>	<hr/>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

11 Creditors: amounts falling due within one year	2007 £	2006 £
Trade creditors	829,144	357,128
Amounts owed to parent undertaking	551,325	551,781
Corporation tax	88,492	102,884
Other taxes and social security costs	88,515	87,824
Accruals and deferred income	44,979	45,198
	<u>1,602,455</u>	<u>1,144,815</u>

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 May 2006	420,215
Profit and loss account	2,031
	<u>422,246</u>
Balance at 30 April 2007	<u>422,246</u>

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	422,246	424,239
Tax losses available	-	(4,024)
	<u>422,246</u>	<u>420,215</u>

13 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	<u>123,091</u>	<u>44,821</u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

14 Share capital	2007	2006
	£	£
Authorised		
4,000,000 Ordinary shares of £1 each	4,000,000	4,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
3,269,050 Ordinary shares of £1 each	3,269,050	3,269,050
	<u> </u>	<u> </u>
15 Statement of movements on reserves		
	Other reserves	Profit and loss
	(see below)	account
	£	£
Balance at 1 May 2006	4,282	1,269,679
Profit for the year	-	117,706
	<u> </u>	<u> </u>
Balance at 30 April 2007	4,282	1,387,385
	<u> </u>	<u> </u>
Other reserves		
Capital redemption reserve		
Balance at 1 May 2006 & at 30 April 2007	4,282	
	<u> </u>	
16 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	117,706	329,735
Opening shareholders' funds	4,543,011	4,213,276
	<u> </u>	<u> </u>
Closing shareholders' funds	4,660,717	4,543,011
	<u> </u>	<u> </u>
17 Financial commitments		
At 30 April 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2008		
	2007	Other
	£	2006
		£
Operating leases which expire		
Within one year	263	263
	<u> </u>	<u> </u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2007

18 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	401,616	326,574
Company pension contributions to money purchase schemes	100,400	20,400
	<u>502,016</u>	<u>346,974</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	300,591	262,634
Company pension contributions to money purchase schemes	100,400	20,400
	<u>400,991</u>	<u>283,034</u>

19 Employees

Number of employees

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

	2007 Number	2006 Number
Production	79	79
Administration	7	7
	<u>86</u>	<u>86</u>

Employment costs

	2007 £	2006 £
Wages and salaries	1,321,814	1,164,613
Social security costs	124,203	108,650
Other pension costs	123,091	44,821
	<u>1,569,108</u>	<u>1,318,084</u>

20 Control

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

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 APRIL 2007**

21 Related party transactions

During the year, the company purchased grain at market value from Walston Holdings Limited 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, and income due to Walston Poultry Farm Limited received by Walston Holdings Limited has been deducted from the balance owed to Walston Holdings Limited at the year end. The closing balance of £551,325 is shown in creditors amounts falling due within one year.