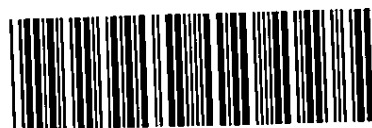


Company Registration No 705559 (England and Wales)

WALSTON POULTRY FARM LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2008

THURSDAY



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COMPANIES HOUSE

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

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WALSTON POULTRY FARM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2008

The directors present their report with the audited financial statements of the company for the year ended 30 April 2008

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 2008 were £11,642,111 (2007 £7,372,063) and profit before tax amounted to £974,996 (2007 £210,945)

Results and dividends

The results for the year are set out on page 4

The retained profit transferred to reserves will be £692,994 (2007 £117,706) 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 2007

Mrs B G Friend

I G Friend

Auditors

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 2008

Directors' responsibilities

The directors are responsible for preparing 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 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). The financial statements are required by law to 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 that 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.

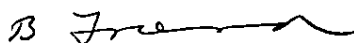
Statement of disclosure to auditors

So far as the directors are aware,

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

(b) the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all 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

19/9/08

Date

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 2008 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 22. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition we 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 2008 and of its profit for the year then ended and the financial statements 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

23rd September 2008

Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire
SP1 1BG

WALSTON POULTRY FARM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2008

	Notes	2008 £	2007 £
Turnover	2	11,642,111	7,372,063
Cost of sales		(8,096,783)	(4,639,586)
Gross profit		3,545,328	2,732,477
Administrative expenses		(2,618,921)	(2,488,561)
Other operating income		7,268	9,822
Operating profit	3	933,675	253,738
Investment income	4	876	562
Other interest receivable and similar income	4	40,445	31,645
Amounts written off investments	5	-	(75,000)
Profit on ordinary activities before taxation		974,996	210,945
Tax on profit on ordinary activities	6	(282,002)	(93,239)
Profit for the year	15	692,994	117,706

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 2008

	Notes	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	7		4,830,332		3,829,222
Investments	8		57,509		56,633
			<u>4,887,841</u>		<u>3,885,855</u>
Current assets					
Stocks	9	1,158,867		799,538	
Debtors	10	1,199,850		1,168,096	
Cash at bank and in hand		478,505		831,929	
		<u>2,837,222</u>		<u>2,799,563</u>	
Creditors: amounts falling due within one year	11	(1,911,672)		(1,602,455)	
Net current assets			<u>925,550</u>		<u>1,197,108</u>
Total assets less current liabilities			<u>5,813,391</u>		<u>5,082,963</u>
Provisions for liabilities	12		(459,680)		(422,246)
			<u>5,353,711</u>		<u>4,660,717</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		2,080,379		1,387,385
Shareholders' funds	16		<u>5,353,711</u>		<u>4,660,717</u>

Approved by the Board and authorised for issue on 19/9/08

B. Friend

Mrs B G Friend
Director

WALSTON POULTRY FARM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		1,135,124		587,347
Returns on investments and servicing of finance				
Interest received	40,445		31,645	
Net cash inflow for returns on investments and servicing of finance		40,445		31,645
Taxation		(91,000)		(105,600)
Capital expenditure				
Payments to acquire tangible assets	(1,456,740)		(304,668)	
Receipts from sales of tangible assets	18,747		44,884	
Net cash outflow for capital expenditure		(1,437,993)		(259,784)
(Decrease)/increase in cash in the year		<u>(353,424)</u>		<u>253,608</u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	933,675	253,738
	Depreciation of tangible assets	435,371	391,554
	Loss on disposal of tangible assets	1,512	2,262
	(Increase)/decrease in stocks	(359,329)	43,247
	Increase in debtors	(31,754)	(575,486)
	Increase in creditors within one year	155,649	472,032
	Net cash inflow from operating activities	1,135,124	587,347
2	Analysis of net funds	1 May 2007	Cash flow 30 April 2008
		£	£
	Net cash		
	Cash at bank and in hand	831,929	478,505
3	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(353,424)	253,608
	Movement in net funds in the year	(353,424)	253,608
	Opening net funds	831,929	578,321
	Closing net funds	478,505	831,929

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2008

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:

Land and 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 2008

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	2008 £	2007 £
Operating profit is stated after charging		
Depreciation of tangible assets	435,371	391,554
Loss on disposal of tangible assets	1,512	2,262
Operating lease rentals		
- Plant and machinery	1,195	-
Auditors' remuneration (including expenses and benefits in kind)	7,510	8,950

4 Investment income	2008 £	2007 £
Income from fixed asset investments	876	562
Bank interest	40,314	31,645
Other interest	131	-

5 Amounts written off investments	2008 £	2007 £
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 2008

6	Taxation	2008 £	2007 £
	Domestic current year tax		
	U K corporation tax	242,060	88,492
	Adjustment for prior years	2,508	2,716
	Current tax charge	244,568	91,208
	Deferred tax		
	Deferred tax charge - current year	37,434	2,031
		282,002	93,239
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	974,996	210,945
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 29.80% (2007 - 30.00%)	290,549	63,284
	Effects of		
	Non deductible expenses	15,152	32,533
	Depreciation add back	130,191	118,086
	Capital allowances	(193,863)	(113,617)
	Adjustments to previous periods	2,508	2,576
	Other tax adjustments	31	(11,654)
		(45,981)	27,924
	Current tax charge	244,568	91,208

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2008

7 Tangible fixed assets

	Land and buildings	Agricultural buildings	Agricultural equipment	Office equipment	Motor vehicles, tractors and trailers	Total
	£	£	£	£	£	£
Cost						
At 1 May 2007	482,826	2,351,403	4,709,035	50,392	744,840	8,338,496
Additions	-	1,212,167	129,522	872	114,179	1,456,740
Disposals	-	-	-	-	(88,325)	(88,325)
At 30 April 2008	482,826	3,563,570	4,838,557	51,264	770,694	9,706,911
Depreciation						
At 1 May 2007	37,576	1,118,922	2,816,445	26,242	510,089	4,509,274
On disposals	-	-	-	-	(68,066)	(68,066)
Charge for the year	4,697	142,543	202,211	3,753	82,167	435,371
At 30 April 2008	42,273	1,261,465	3,018,656	29,995	524,190	4,876,579
Net book value						
At 30 April 2008	440,553	2,302,105	1,819,901	21,269	246,504	4,830,332
At 30 April 2007	445,250	1,232,481	1,892,590	24,150	234,751	3,829,222

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

8 Fixed asset investments

	Bonds	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 May 2007	54,988	151,645	206,633
Bonuses accrued	876	-	876
At 30 April 2008	55,864	151,645	207,509
Provisions for impairment			
At 1 May 2007 & at 30 April 2008	-	150,000	150,000
Net book value or valuation			
At 30 April 2008	55,864	1,645	57,509
At 30 April 2007	54,988	1,645	56,633

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2008

9	Stocks	2008 £	2007 £
	Finished goods and goods for resale	<u>1,158,867</u>	<u>799,538</u>
10	Debtors	2008 £	2007 £
	Trade debtors	1,077,771	1,060,312
	Other debtors	87,753	58,853
	Prepayments and accrued income	<u>34,326</u>	<u>48,931</u>
		<u>1,199,850</u>	<u>1,168,096</u>
11	Creditors amounts falling due within one year	2008 £	2007 £
	Trade creditors	1,357,662	829,144
	Amounts owed to parent undertaking	200,805	551,325
	Corporation tax	242,060	88,492
	Other taxes and social security costs	40,585	88,515
	Accruals and deferred income	<u>70,560</u>	<u>44,979</u>
		<u>1,911,672</u>	<u>1,602,455</u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2008

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 May 2007	422,246
Profit and loss account	37,434
	<u>459,680</u>
Balance at 30 April 2008	<u>459,680</u>

The deferred tax liability comprises as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>459,680</u>	<u>422,246</u>

13 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>63,129</u>	<u>123,091</u>

14 Share capital

	2008 £	2007 £
Authorised		
4,000,000 Ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, called up and fully paid		
3,269,050 Ordinary shares of £1 each	<u>3,269,050</u>	<u>3,269,050</u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2008

15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 May 2007	4,282	1,387,385
Profit for the year	-	692,994
Balance at 30 April 2008	<u>4,282</u>	<u>2,080,379</u>

Other reserves

Capital redemption reserve

Balance at 1 May 2007 & at 30 April 2008

4,282

16 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	692,994	117,706
Opening shareholders' funds	<u>4,660,717</u>	<u>4,543,011</u>
Closing shareholders' funds	<u>5,353,711</u>	<u>4,660,717</u>

17 Financial commitments

At 30 April 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2009

	2008 £	Other 2007 £
Operating leases which expire		
Within one year	-	263
Between two and five years	<u>1,976</u>	<u>-</u>
	<u>1,976</u>	<u>263</u>

18 Capital commitments

	2008 £	2007 £
At 30 April 2008 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	<u>87,000</u>	<u>-</u>

WALSTON POULTRY FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2008

19 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	338,414	401,616
Company pension contributions to money purchase schemes	30,000	100,400
	<u>368,414</u>	<u>502,016</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2007 - 2)

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

Emoluments for qualifying services	226,217	300,591
Company pension contributions to money purchase schemes	30,000	100,400
	<u>256,217</u>	<u>400,991</u>

20 Employees

Number of employees

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

	2008 Number	2007 Number
Production	70	79
Administration	7	7
	<u>77</u>	<u>86</u>

Employment costs	2008 £	2007 £
Wages and salaries	1,399,148	1,321,814
Social security costs	139,023	124,203
Other pension costs	63,129	123,091
	<u>1,601,300</u>	<u>1,569,108</u>

21 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 2008**

22 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 £200,805 is shown in creditors amounts falling due within one year.