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**WALSTON POULTRY FARM LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2012**

TUESDAY



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## WALSTON POULTRY FARM LIMITED

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### COMPANY INFORMATION

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**DIRECTORS**

Mrs B G Friend  
Mr I G Friend

**COMPANY SECRETARY**

Mrs B G Friend

**COMPANY NUMBER**

00705559

**REGISTERED OFFICE**

East Down Packing Station  
Winterbourne Whitechurch  
Blandford  
Dorset  
DT11 9AS

**AUDITORS**

Nexia Smith & Williamson  
Statutory Auditor & Chartered Accountants  
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

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**WALSTON POULTRY FARM LIMITED**

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## **WALSTON POULTRY FARM LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2012**

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The directors present their report and the financial statements for the year ended 30 April 2012

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and 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). 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 judgments 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 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.

#### **PRINCIPAL ACTIVITIES**

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.

#### **BUSINESS REVIEW**

Revenues for the year ended 30 April 2012 were £8,979,512 (2011 - £8,656,286)

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.

#### **RESULTS**

The profit for the year, after taxation, amounted to £11,079 (2011 - loss £271,336)

#### **DIRECTORS**

The directors who served during the year were

Mrs B G Friend  
Mr I G Friend

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**WALSTON POULTRY FARM LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2012**

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**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



**Mrs B G Friend**  
Director

Date 16 10 12

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## **WALSTON POULTRY FARM LIMITED**

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

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We have audited the financial statements of Walston Poultry Farm Limited for the year ended 30 April 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement, 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.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 30 April 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.

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**WALSTON POULTRY FARM LIMITED**

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

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**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

*Nexia Smith & Williamson*

Richard Green (Senior statutory auditor)

for and on behalf of  
**Nexia Smith & Williamson**

Statutory Auditor  
Chartered Accountants

Old Library Chambers  
21 Chipper Lane  
Salisbury  
Wiltshire  
SP1 1BG

Date *22<sup>nd</sup> October 2012.*

**WALSTON POULTRY FARM LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2012**

	Note	2012 £	2011 £
<b>TURNOVER</b>	1,2	<b>8,979,512</b>	<b>8,656,286</b>
Cost of sales		<u>(5,429,387)</u>	<u>(6,002,160)</u>
<b>GROSS PROFIT</b>		<b>3,550,125</b>	<b>2,654,126</b>
Administrative expenses		<b>(3,454,536)</b>	<b>(2,992,678)</b>
Other operating income		<u>5,753</u>	<u>1,929</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	<b>101,342</b>	<b>(336,623)</b>
Interest receivable and similar income		<b>4,021</b>	<b>1,039</b>
Interest payable and similar charges	6	<u>(74,693)</u>	<u>(38,416)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>30,670</b>	<b>(374,000)</b>
Tax on profit/(loss) on ordinary activities	7	<u>(19,591)</u>	<u>102,664</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	15	<u><b>11,079</b></u>	<u><b>(271,336)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 14 form part of these financial statements

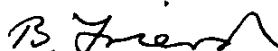


**WALSTON POULTRY FARM LIMITED**  
**REGISTERED NUMBER 00705559**

**BALANCE SHEET**  
**AS AT 30 APRIL 2012**

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	8		7,673,758		7,416,548
<b>CURRENT ASSETS</b>					
Stocks	9	1,252,389		1,580,332	
Debtors	10	999,610		1,104,919	
Cash at bank		1,215,461		-	
		<u>3,467,460</u>		<u>2,685,251</u>	
<b>CREDITORS</b> , amounts falling due within one year	11	<u>(2,637,322)</u>		<u>(1,967,086)</u>	
<b>NET CURRENT ASSETS</b>			<u>830,138</u>		<u>718,165</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,503,896</u>		<u>8,134,713</u>
<b>CREDITORS</b> : amounts falling due after more than one year	12		(655,724)		(280,716)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	13		(623,092)		(639,996)
<b>NET ASSETS</b>			<u><u>7,225,080</u></u>		<u><u>7,214,001</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		3,269,050		3,269,050
Capital redemption reserve	15		4,282		4,282
Profit and loss account	15		3,951,748		3,940,669
<b>SHAREHOLDERS' FUNDS</b>	16		<u><u>7,225,080</u></u>		<u><u>7,214,001</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

  
 .....  
**Mrs B G Friend**  
 Director

Date 16.10.12

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## WALSTON POULTRY FARM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

##### 1.2 Turnover

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.

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

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

##### 1.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

##### 1.5 Stocks

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

##### 1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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## WALSTON POULTRY FARM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

##### 1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

##### 1.9 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

#### 2. TURNOVER

The whole of the turnover is attributable to the principal activity

All turnover arose within the United Kingdom

#### 3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	723,655	679,884
Auditors' remuneration	10,400	13,775
Operating lease rentals		
- plant and machinery	2,433	1,367
Loss/(profit) on foreign exchange	23,833	(4,267)

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**WALSTON POULTRY FARM LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2012**

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**4 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	1,401,965	1,451,233
Social security costs	130,487	124,653
Other pension costs	243,233	49,391
	<u>1,775,685</u>	<u>1,625,277</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Production	61	74
Administration	5	8
	<u>66</u>	<u>82</u>

**5 DIRECTORS' REMUNERATION**

	2012 £	2011 £
Emoluments	<u>363,928</u>	<u>313,199</u>
Company pension contributions to defined contribution pension schemes	<u>235,000</u>	<u>30,000</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £334,897 (2011 - £233,280)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £235,000 (2011 - £30,000)

**WALSTON POULTRY FARM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2012**

**6 INTEREST PAYABLE**

	2012 £	2011 £
On bank loans and overdrafts	23,840	10,744
On loans	45,550	22,198
On other loans	5,303	5,474
	<u>74,693</u>	<u>38,416</u>

**7 TAXATION**

	2012 £	2011 £
<b>Analysis of tax credit in the year:</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge/(credit) on profit/loss for the year	44,466	(120,128)
Adjustments in respect of prior periods	(7,971)	-
<b>Total current tax</b>	<u>36,495</u>	<u>(120,128)</u>
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	(16,904)	17,464
<b>Tax on profit/(loss) on ordinary activities</b>	<u>19,591</u>	<u>(102,664)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 25.84% (2011 - 28%). The differences are explained below

	2012 £	2011 £
Profit/(loss) on ordinary activities before tax	<u>30,670</u>	<u>(374,000)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	7,925	(104,720)
<b>Effects of</b>		
Non-tax deductible amortisation of goodwill and impairment	91,131	17,082
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,360	-
Capital allowances for year in excess of depreciation	(50,553)	(26,300)
Adjustments to tax charge in respect of prior periods	(7,971)	(6,190)
Other differences leading to an increase in the tax charge	(416)	-
Marginal relief	(7,981)	-
<b>Current tax charge/(credit) for the year</b> (see note above)	<u>36,495</u>	<u>(120,128)</u>

**WALSTON POULTRY FARM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2012**

**8 TANGIBLE FIXED ASSETS**

	Land and buildings £	Agricultural buildings £	Agricultural equipment £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>						
At 1 May 2011	494,177	5,000,931	7,572,089	930,074	61,894	14,059,165
Additions	-	81,827	1,114,617	64,790	1,282	1,262,516
Disposals	-	-	(2,091,303)	(18,900)	-	(2,110,203)
At 30 April 2012	<u>494,177</u>	<u>5,082,758</u>	<u>6,595,403</u>	<u>975,964</u>	<u>63,176</u>	<u>13,211,478</u>
<b>Depreciation</b>						
At 1 May 2011	56,591	1,825,832	4,018,564	701,147	40,483	6,642,617
Charge for the year	4,924	203,310	438,690	73,327	3,404	723,655
On disposals	-	-	(1,810,062)	(18,490)	-	(1,828,552)
At 30 April 2012	<u>61,515</u>	<u>2,029,142</u>	<u>2,647,192</u>	<u>755,984</u>	<u>43,887</u>	<u>5,537,720</u>
<b>Net book value</b>						
At 30 April 2012	<u>432,662</u>	<u>3,053,616</u>	<u>3,948,211</u>	<u>219,980</u>	<u>19,289</u>	<u>7,673,758</u>
At 30 April 2011	<u>437,586</u>	<u>3,175,099</u>	<u>3,553,525</u>	<u>228,927</u>	<u>21,411</u>	<u>7,416,548</u>

Included in land and buildings is freehold land at a cost of £248,000 (2011 - £248,000) which is not depreciated

**9 STOCKS**

	2012 £	2011 £
Finished goods and goods for sale	<u>1,252,389</u>	<u>1,580,332</u>

**10. DEBTORS**

	2012 £	2011 £
Trade debtors	915,404	798,597
Other debtors	50,198	249,517
Prepayments and accrued income	34,008	56,805
	<u>999,610</u>	<u>1,104,919</u>

**WALSTON POULTRY FARM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2012**

**11 CREDITORS**

**Amounts falling due within one year**

	2012 £	2011 £
Bank loans and overdrafts	406,815	230,680
Other loans	112,337	111,341
Trade creditors	573,589	484,568
Amounts owed to group undertakings	590,731	567,579
Corporation tax	44,466	-
Director's loan account	848,741	514,541
Other creditors	48,239	43,843
Accruals and deferred income	12,404	14,534
	<u>2,637,322</u>	<u>1,967,086</u>

**12 CREDITORS:**

**Amounts falling due after more than one year**

	2012 £	2011 £
Bank loans	<u>655,724</u>	<u>280,716</u>

Included within the above are amounts falling due as follows

	2012 £	2011 £
<b>Between one and two years</b>		
Bank loans	<u>155,724</u>	<u>280,716</u>
<b>Over five years</b>		
Bank loans	<u>500,000</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable other than by instalments	<u>500,000</u>	<u>-</u>

The bank loans are secured by a fixed charge over certain land and buildings owned by Walston Poultry Farm Limited and Walston Holdings Limited. Walston Holdings Limited has also provided an unlimited guarantee on the bank loan.

**WALSTON POULTRY FARM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2012**

**13 DEFERRED TAXATION**

	2012 £	2011 £
At beginning of year	639,996	622,532
(Released during)/charge for year	(16,904)	17,464
At end of year	<u>623,092</u>	<u>639,996</u>

The provision for deferred taxation comprises as follows

	2012 £	2011 £
Accelerated capital allowances	623,354	639,996
Other timing differences	(262)	-
	<u>623,092</u>	<u>639,996</u>

**14 SHARE CAPITAL**

	2012 £	2011 £
Allotted, called up and fully paid		
3,269,050 Ordinary shares of £1 each	<u>3,269,050</u>	<u>3,269,050</u>

**15 RESERVES**

	Capital redemption reserve £	Profit and loss account £
At 1 May 2011	4,282	3,940,669
Profit for the year	-	11,079
At 30 April 2012	<u>4,282</u>	<u>3,951,748</u>

**16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2012 £	2011 £
Opening shareholders' funds	7,214,001	7,485,337
Profit/(loss) for the year	11,079	(271,336)
Closing shareholders' funds	<u>7,225,080</u>	<u>7,214,001</u>



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## WALSTON POULTRY FARM LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2012

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#### 17 CAPITAL COMMITMENTS

At 30 April 2012 the company had capital commitments as follows

	2012 £	2011 £
Contracted for but not provided in these financial statements	<u>129,689</u>	<u>713,534</u>

#### 18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £243,233 (2011 - £49,391)

#### 19 OPERATING LEASE COMMITMENTS

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
<b>Expiry date</b>		
Between 2 and 5 years	<u>988</u>	<u>1,976</u>

#### 20 TRANSACTIONS WITH THE DIRECTORS

Included in creditors falling due within one year is a loan from I G Friend of £848,741 (2011 - £514,541). Interest of £45,550 has been charged on this year during the year at 6% above the base rate.

#### 21 RELATED PARTY TRANSACTIONS

The company has taken advantage of exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions on the grounds that consolidated accounts are prepared by the ultimate parent company.

Included within creditors due within one year is a loan of £112,337 (2011 - £111,341) from the Mrs Friend's 1997 Settlement. Interest of £5,303 has been charged on this loan during the year at 6% above the base rate. I G Friend and Mrs B G Friend are trustees of the Mrs Friend's 1997 Settlement.

#### 22 CONTROLLING PARTY

The company's ultimate parent undertaking at the balance sheet date was Walston Holdings Limited, a company registered in England and Wales. The ultimate controlling party is Mrs B G Friend.