

Company Registration No. 705559 (England and Wales)

**WALSTON POULTRY FARM LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 1999**



# WALSTON POULTRY FARM LIMITED

## COMPANY INFORMATION

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

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# WALSTON POULTRY FARM LIMITED

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# WALSTON POULTRY FARM LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1999

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The directors present their report with the audited financial statements of the company for the year ended 30 April 1999.

### 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 as shown in the annexed financial statements.

No dividends will be distributed for the year ended 30 April 1999 (1998 : £Nil). The loss transferred to reserves will be £4,495 (1998: profit of £70,592).

### Year 2000 compliance

The directors have identified the key risks to the business and have developed a plan to minimise their impact. They have considered not only their own systems but also those of their major suppliers and customers. Although no organisation can guarantee that no year 2000 problems will arise, they believe that, having identified and removed the major risks to the business in accordance with the plan they have developed, it will be possible to quickly resolve any such problems as may arise without significant additional costs.

The total cost of modifications to their computer and other systems was £408 in the year ended 30 April 1999 and £1,920 in the year ended 30 April 1998. They do not envisage that any further expense will be incurred.

### Directors

The following directors have held office since 1 May 1998:

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 1999	1 May 1998
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 1999

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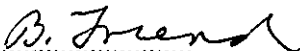
### Directors' responsibilities

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

29/12/99

# WALSTON POULTRY FARM LIMITED

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

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We have audited the financial statements on pages 4 to 15 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.

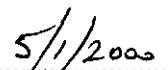
### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1999 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

  
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Old Library Chambers  
21 Chipper Lane  
Salisbury  
Wiltshire SP1 1BG

# WALSTON POULTRY FARM LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1999

	Notes	1999 £	1998 £
Turnover	2	3,559,433	3,974,627
Cost of sales		(2,109,739)	(2,489,030)
<b>Gross profit</b>		1,449,694	1,485,597
Administrative expenses		(1,496,840)	(1,472,537)
Other operating income		5,379	8,564
<b>Operating (loss)/profit</b>	3	(41,767)	21,624
Investment income	4	8,557	28,339
Other interest receivable and similar income	4	38,349	39,303
<b>Profit on ordinary activities before taxation</b>		5,139	89,266
Tax on profit on ordinary activities	5	(9,634)	(18,674)
<b>(Loss)/profit on ordinary activities after taxation</b>	14	(4,495)	70,592

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

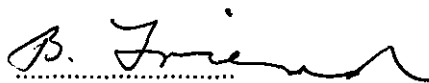
There are no recognised gains and losses other than those passing through the profit and loss account.

# WALSTON POULTRY FARM LIMITED

## BALANCE SHEET AS AT 30 APRIL 1999

	Notes	1999 £	£	1998 £	£
<b>Fixed assets</b>					
Tangible assets	6	3,394,205		3,634,758	
Investments	7	413,734		409,697	
		<u>3,807,939</u>		<u>4,044,455</u>	
<b>Current assets</b>					
Stocks	8	529,624		532,180	
Debtors	9	405,889		285,016	
Cash at bank and in hand		1,042,683		857,310	
		<u>1,978,196</u>		<u>1,674,506</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,618,437)</u>		<u>(1,546,768)</u>	
<b>Net current assets</b>			359,759		127,738
<b>Total assets less current liabilities</b>			<u>4,167,698</u>		<u>4,172,193</u>
<b>Capital and reserves</b>					
Called up share capital	13	3,269,050		3,269,050	
Other reserves	14	4,282		4,282	
Profit and loss account	14	894,366		898,861	
<b>Shareholders' funds - equity interests</b>	15	<u>4,167,698</u>		<u>4,172,193</u>	

The financial statements were approved by the Board on 29/12/99 .



Mrs B G Friend  
Director



# WALSTON POULTRY FARM LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 1999

	1999 £	1998 £
<b>Net cash inflow from operating activities</b>	161,946	38,957
<b>Returns on investments and servicing of finance</b>		
Interest received	38,349	39,303
Dividends received	8,557	28,339
	<hr/>	<hr/>
<b>Net cash inflow for returns on investments and servicing of finance</b>	46,906	67,642
<b>Taxation</b>	(15,445)	(161,740)
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(61,049)	(73,509)
Payments to acquire investments	(4,037)	(2,946)
Receipts from sale of tangible assets	31,320	4,830
	<hr/>	<hr/>
<b>Net cash outflow for capital expenditure and financial investment</b>	(33,766)	(71,625)
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) before financing</b>	159,641	(126,766)
	<hr/>	<hr/>
<b>Increase/(decrease) in cash in the year</b>	159,641	(126,766)
	<hr/>	<hr/>

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 1999

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities		1999	1998	
			£	£	
	Operating (loss)/profit		(41,767)	21,624	
	Depreciation of tangible assets		280,963	310,590	
	Profit on disposal of tangible assets		(10,681)	(1,707)	
	Decrease in stocks		2,556	53,695	
	(Increase)/decrease in debtors		(126,669)	19,847	
	Increase in creditors		57,544	(369,556)	
	Unrealised loss on investments		-	4,464	
	Net cash inflow from operating activities		161,946	38,957	
2	Analysis of net funds	1 May 1998	Cash flow	Other non-cash changes	30 April 1999
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	857,310	185,373	-	1,042,683
	Bank overdrafts	(83,283)	(25,732)	-	(109,015)
	Net funds	774,027	159,641	-	933,668
	3	Reconciliation of net cash flow to movement in net funds		1999	1998
		£	£		
Increase/(decrease) in cash in the year		159,641	(126,766)		
Movement in net funds in the year		159,641	(126,766)		
Opening net funds		774,027	900,793		
Closing net funds		933,668	774,027		

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1999

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### 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 and buildings 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:

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 Stocks

Stock is 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 exemptions 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.

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# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

<b>3</b>	<b>Operating (loss)/profit</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	The operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	280,963	310,590
	Operating lease rentals	936	936
	Auditors' remuneration	6,120	6,815
	Remuneration of auditors for non-audit work	4,130	9,545
	and after crediting:		
	Rents receivable	(5,379)	(8,564)
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Income from investments, other interest receivable and similar income</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Income from listed investments	3,806	3,683
	Income from unlisted investments	4,751	24,656
		<u>          </u>	<u>          </u>
		8,557	28,339
		<u>          </u>	<u>          </u>
	Bank interest	38,347	39,235
	Other interest	2	68
		<u>          </u>	<u>          </u>
		38,349	39,303
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Taxation</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 21% (1998 - 21%)	7,413	20,098
	Tax credit on franked investment income	594	4,584
		<u>          </u>	<u>          </u>
		8,007	24,682
	<b>Prior years</b>		
	U.K. corporation tax	1,627	(6,008)
		<u>          </u>	<u>          </u>
		9,634	18,674
		<u>          </u>	<u>          </u>

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

### 6 Tangible fixed assets

	Land and buildings	Agricultural buildings	Agricultural equipment	Office equipment	Motor vehicles, tractors and trailers	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 May 1998	482,826	1,723,126	2,770,012	16,855	493,392	5,486,211
Additions	-	-	19,933	397	40,719	61,049
Disposals	-	-	-	-	(36,691)	(36,691)
At 30 April 1999	482,826	1,723,126	2,789,945	17,252	497,420	5,510,569
<b>Depreciation</b>						
At 1 May 1998	-	392,023	1,139,983	7,600	311,847	1,851,453
Eliminated on disposals	-	-	-	-	(16,052)	(16,052)
Charge for the year	-	67,328	164,996	1,412	47,227	280,963
At 30 April 1999	-	459,351	1,304,979	9,012	343,022	2,116,364
<b>Net book value</b>						
At 30 April 1999	482,826	1,263,775	1,484,966	8,240	154,398	3,394,205
At 30 April 1998	482,826	1,331,103	1,630,029	9,255	181,545	3,634,758

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

### 7 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
<b>Cost</b>			
At 1 May 1998	158,773	269,931	428,704
Additions	3,045	991	4,036
At 30 April 1999	161,818	270,922	432,740
<b>Provisions for diminution in value</b>			
At 1 May 1998 and at 30 April 1999	19,006	-	19,006
<b>Net book value</b>			
At 30 April 1999	142,812	270,922	413,734
At 30 April 1998	139,766	269,931	409,697
	<b>Market value £</b>	<b>Directors' valuation £</b>	<b>Total £</b>
At 30 April 1999	185,505	270,922	456,427
At 30 April 1998	174,815	269,931	444,746

All listed investments are listed on the International Stock Exchange, London. The egg distributor, Thames Valley Foods Limited, retains 1.5% of the value of eggs supplied by the company, which is represented by the issue of convertible loan stock.

The net book value of investments includes £17,073 (1998 : £56,964) in respect of convertible loan stock. Each quarter the company has the option of converting a specified number of convertible loan stock to share capital or of receiving a cash lump sum.

Unlisted investments of £253,849 (1998 : £212,967) are included at cost.

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

8	Stocks	1999	1998
		£	£
	Foodstock	62,487	65,658
	Livestock	455,125	457,947
		<hr/>	<hr/>
	per profit and loss account	517,612	523,605
		<hr/>	<hr/>
	Eggs	8,727	5,040
	Fuel and oil	3,285	3,535
		<hr/>	<hr/>
		529,624	532,180
		<hr/>	<hr/>
9	Debtors	1999	1998
		£	£
	Trade debtors	260,808	126,565
	Corporation tax recoverable	280	6,076
	Other debtors	1,500	2,700
	Prepayments and accrued income	143,301	149,675
		<hr/>	<hr/>
		405,889	285,016
		<hr/>	<hr/>
	Amounts falling due after more than one year and included above are:		
		1999	1998
		£	£
	Other debtors	300	1,500
		<hr/>	<hr/>
10	Creditors: amounts falling due within one year	1999	1998
		£	£
	Bank loans and overdrafts	109,015	83,283
	Trade creditors	99,645	105,985
	Amounts owed to parent undertaking	1,227,553	1,251,966
	Corporation tax	7,413	19,020
	Other taxes and social security costs	48,437	23,993
	Accruals and deferred income	126,374	62,521
		<hr/>	<hr/>
		1,618,437	1,546,768
		<hr/>	<hr/>

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

### 11 Provisions for liabilities and charges

Deferred tax is provided at 20% (1998 - 21%) analysed over the following timing differences:

	Not provided		Provided	
	1999	1998	1999	1998
	£	£	£	£
Accelerated capital allowances	215,961	230,331	-	-

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

### 12 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 £85,125 (1998 - £12,400). Contributions totalling £Nil (1998 - £959) were payable to the fund at the year end and are included in creditors.

### 13 Share capital

	1999	1998
	£	£
<b>Authorised</b>		
4,000,000 ordinary shares of £ 1 each	4,000,000	4,000,000
<b>Allotted, called up and fully paid</b>		
3,269,050 ordinary shares of £ 1 each	3,269,050	3,269,050

### 14 Statement of movements on reserves

	Capital reserve	Profit and loss account
	£	£
Balance at 1 May 1998	4,282	898,861
Retained loss for the year	-	(4,495)
Balance at 30 April 1999	4,282	894,366



# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

15 Reconciliation of movements in shareholders' funds	1999 £	1998 £
(Loss)/profit for the financial year	(4,495)	70,592
Opening shareholders' funds	4,172,193	4,101,601
Closing shareholders' funds	<u>4,167,698</u>	<u>4,172,193</u>

### 16 Financial commitments

At 30 April 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999 £	1998 £
Expiry date:		
Within one year	<u>936</u>	<u>936</u>

### 17 Capital commitments

There were no financial commitments at 30 April 1999 or at 30 April 1998.

18 Directors' emoluments	1999 £	1998 £
Emoluments for qualifying services	116,160	109,710
Company pension contributions to money purchase schemes	65,000	-
	<u>181,160</u>	<u>109,710</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1998 - 2).

# WALSTON POULTRY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 1999

### 19 Employees

#### Number of employees

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

	1999 Number	1998 Number
Production	67	67
Administration	6	6
	<u>73</u>	<u>73</u>

#### Employment costs

	£	£
Wages and salaries	794,487	768,507
Social security costs	61,149	61,208
Other pension costs	85,125	12,400
	<u>940,761</u>	<u>842,115</u>

### 20 Control

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

### 21 Related party transactions

During the year, the company traded with Walston Holdings Limited, its parent company. It purchased wheat at market value and made payments on behalf of Walston Holdings Limited. The net effect was a decrease in the creditor balance of £24,413 to £1,227,553.

Mrs B G Friend and I G Friend, directors of the company, are also directors of Walston Holdings Limited.