

Company Registration No. 1483650 (England and Wales)

WALDERSEY FARMS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

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WALDERSEY FARMS LIMITED

DIRECTORS AND ADVISERS

Directors	R B Loxton R M Clarke J N Hattersley (non executive) I A Stockley (non executive) Prof J C Alliston (non executive) S T Ward (non executive)
Secretary	R B Loxton
Company number	1483650
Registered office	Northfield Farm Lynn Road Southery Downham Market Norfolk PE38 0HT
Independent Auditors	Saffery Champness Stuart House City Road Peterborough Cambridgeshire PE1 1QF
Bankers	Lloyds TSB Bank plc 1 Tuesday Market Place King's Lynn Norfolk PE30 1JU

WALDERSEY FARMS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the financial statements	9 - 24

WALDERSEY FARMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The principal activities of the Group are arable farming, vegetable marketing and forestry

The area farmed during the year was approximately 10,800 acres

2010 has seen increases in commodity prices. Cost and price volatility remain strong features. Crop yields have generally been good.

Sugar beet is an important crop for the company and we avoided weather damage suffered by so many by the planned timing of our lifting program. Beet yields were lower than last year's record.

Land values have increased again this year. Ensuring appropriate infrastructure is in place is fundamental to operational efficiency.

The key performance indicators for the company saw gross margin increase by 10% and fixed costs increase by 5.3%. Wheat is the most important crop and the average yield was the highest the company has achieved.

The forestry undertaking in the Scottish borders continues with timber volumes meeting expectations.

Uncertainty in the financial markets and increasing demand has resulted in commodity price volatility. These factors also emphasise the ongoing necessity for cost control.

The Company's operations expose it to degrees of financial risk that include credit risk, liquidity risk and interest rate risk.

Credit risk - the company mainly trades with long standing customers. The nature of these relationships assists management in controlling its credit risk in addition to the normal credit management process. In order to minimise risk the Company insures its debts relating to vegetable sales.

Liquidity risk - the directors control and monitor the company's cashflow on a regular basis.

Interest rate risk - the company is exposed to interest rate fluctuations as the rate payable on its bank overdraft and long term debentures are linked to the bank base rate. The directors carefully monitor cashflow to ensure that liabilities can be met as they fall due."

We acknowledge the skills and commitment of our staff and thank them for their continued dedication and enthusiasm.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

A final ordinary dividend was paid during the year in respect of the year ended 31 December 2009 amounting to £68,250. The directors are recommending the payment of a final dividend of £102,375 in respect of the year ended 31 December 2010.

WALDERSEY FARMS LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

Directors

The following directors have held office since 1 January 2010

R B Loxton

R M Clarke

J N Hattersley (non executive)

I A Stockley (non executive)

Prof J C Alliston (non executive)

S T Ward (non executive)

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company

Statement of directors' responsibilities

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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group 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, there is no relevant audit information of which the group's auditors are unaware. Additionally, 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 group's auditors are aware of that information.

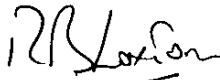
WALDERSEY FARMS LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

Going concern

The group meets its day-to-day working capital requirements through an overdraft facility that is due for renewal on 31 August 2011 and a debenture loan of up to £4m which is due to mature in 2015. The group's forecasts and projections, taking into account future changes in trading performance, show that the group will be able to operate within the levels of its current facilities. The group has adequate resources to continue operations for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the accounts.

On behalf of the board



R B Loxton
Director
13 April 2011

WALDERSEY FARMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WALDERSEY FARMS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Waldersey Farms Limited for the year ended 31 December 2010 set out on pages 6 to 24. 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 set out on pages 1 - 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's 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.

WALDERSEY FARMS LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF WALDERSEY FARMS LIMITED**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Saffery Champness

Stephen Collins (Senior Statutory Auditor)
for and on behalf of Saffery Champness

10 May 2011

**Chartered Accountants
Statutory Auditors**

Stuart House
City Road
Peterborough
Cambridgeshire
PE1 1QF

WALDERSEY FARMS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

		2010	2009
	Notes	£	£
Turnover	2	10,068,069	8,998,135
Cost of sales		<u>(7,363,289)</u>	<u>(6,535,292)</u>
Gross profit		2,704,780	2,462,843
Distribution costs		(266,188)	(415,742)
Administrative expenses		(3,334,085)	(3,294,183)
Other operating income		<u>1,544,364</u>	<u>1,642,533</u>
Operating profit	3	648,871	395,451
Interest payable and similar charges	4	<u>(84,243)</u>	<u>(52,884)</u>
Profit on ordinary activities before taxation	3	564,628	342,567
Tax on profit on ordinary activities	5	<u>(150,649)</u>	<u>(69,358)</u>
Profit on ordinary activities after taxation		<u><u>413,979</u></u>	<u><u>273,209</u></u>

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

The notes on pages 9 to 24 form part of these financial statements

WALDERSEY FARMS LIMITED

**BALANCE SHEETS
AS AT 31 DECEMBER 2010**

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Intangible assets	7	45,063	52,725	45,063	52,725
Tangible assets	8	3,616,423	3,196,047	3,616,423	3,196,047
Investments	9	1	1	689,571	689,571
		<u>3,661,487</u>	<u>3,248,773</u>	<u>4,351,057</u>	<u>3,938,343</u>
Current assets					
Stocks	10	4,392,722	4,443,311	4,392,722	4,443,311
Debtors	11	3,417,264	2,567,285	3,417,264	2,567,285
Cash at bank and in hand		1,387	279,360	134	278,107
		<u>7,811,373</u>	<u>7,289,956</u>	<u>7,810,120</u>	<u>7,288,703</u>
Creditors: amounts falling due within one year	12	<u>(3,466,081)</u>	<u>(2,840,235)</u>	<u>(3,844,489)</u>	<u>(3,218,643)</u>
Net current assets		<u>4,345,292</u>	<u>4,449,721</u>	<u>3,965,631</u>	<u>4,070,060</u>
Total assets less current liabilities		<u>8,006,779</u>	<u>7,698,494</u>	<u>8,316,688</u>	<u>8,008,403</u>
Creditors: amounts falling due after more than one year	13	<u>(4,100,308)</u>	<u>(4,149,135)</u>	<u>(4,100,308)</u>	<u>(4,149,135)</u>
Provisions for liabilities	14	<u>(191,853)</u>	<u>(180,470)</u>	<u>(191,853)</u>	<u>(180,470)</u>
		<u>3,714,618</u>	<u>3,368,889</u>	<u>4,024,527</u>	<u>3,678,798</u>
Capital and reserves					
Called up share capital	16	1,365,000	1,365,000	1,365,000	1,365,000
Other reserves	17	500,000	500,000	500,000	500,000
Profit and loss account	17	1,849,618	1,503,889	2,159,527	1,813,798
Shareholders' funds	18	<u>3,714,618</u>	<u>3,368,889</u>	<u>4,024,527</u>	<u>3,678,798</u>

The notes on pages 9 to 24 form part of these financial statements

Approved by the Board and authorised for issue on 13 April 2011

R M Clarke
Director



Company Registration No. 1483650

WALDERSEY FARMS LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
Net cash inflow from operating activities	24		603,826		646,415
Returns on investments and servicing of finance					
Interest paid		(84,243)		(52,884)	
Net cash outflow for returns on investments and servicing of finance			(84,243)		(52,884)
Taxation			(70,273)		(130,158)
Capital expenditure					
Payments to acquire intangible assets		-		(20,878)	
Payments to acquire tangible assets		(1,281,100)		(597,497)	
Receipts from sales of tangible assets		460,465		128,092	
Net cash outflow for capital expenditure			(820,635)		(490,283)
Equity dividends paid			(68,250)		-
Net cash outflow before management of liquid resources and financing			(439,575)		(26,910)
Financing					
New debenture loan		-		1,000,000	
Repayment of other long term loans		(8,100)		(8,100)	
Capital element of hire purchase contracts		(279,124)		(283,502)	
Net cash (outflow)/inflow from financing			(287,224)		708,398
(Decrease)/increase in cash in the year	25, 26		<u>(726,799)</u>		<u>681,488</u>

WALDERSEY FARMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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 (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Associated undertakings

The group's share of profits less losses of associated undertakings is included in the consolidated profit and loss account, and the group's share of their net assets is included in the consolidated balance sheet. These amounts are taken from the latest audited financial statements of the undertakings concerned.

1.5 Turnover

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

1.6 Sugar Beet Quota

Sugar beet quota is written off in equal annual instalments over its estimated useful economic life.

1.7 Water licence

The water licence is valued at cost and is being written off on a straight line basis over ten years.

1.8 Storage rights

Storage rights are valued at cost less provision for diminution in value.

1.9 Tangible fixed assets and depreciation

Tangible fixed assets 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:

Short Leasehold land and buildings	0 - 10% on straight line
Plant and machinery	10 - 33% on straight line, 20 - 25% on written down value
Fixtures and fittings	10 - 25% on straight line
Motor vehicles	25% on written down value

No depreciation is provided in respect of land held under a long term lease.

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

1 Accounting policies

(continued)

1.10 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.11 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.12 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Costs of growing crops include overheads appropriate to the stage of production. Provisions are made where necessary to reduce the cost of stock to net realisable value.

1.13 Pensions

The Group 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.

1.14 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.15 Government grants

Single Farm Payment - in any Scheme Year, the right to the Single Farm Payment is recognised on or after 15 May and accrued monthly, unless an unacceptable degree of uncertainty exists over the existence of the right to the Single Farm Payment for that Scheme Year. In the event that the conditions for the receipt of the Single Farm Payment have not been met, income recognition is deferred until such time as those conditions can be assumed to have been met, and there is reasonable assurance that the Single Farm Payment will be received.

Other grants of a revenue nature are credited to income in the period to which they relate.

1.16 Goodwill

Goodwill is written off in equal annual instalments over its estimated useful economic life.

2 Turnover

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

WALDERSEY FARMS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	7,662	37,319
	Depreciation of tangible assets	805,280	752,102
	Operating lease rentals	1,352,338	1,276,947
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £10,950, 2009 £10,800)	10,950	10,800
	and after crediting		
	Government grants	1,282,259	1,399,281
	Profit on disposal of tangible assets	(133,689)	(62,279)
		<u>1,282,259</u>	<u>1,399,281</u>
4	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	6,552	8,307
	On other loans wholly repayable within five years	9,964	10,795
	On loans repayable after five years	58,260	20,379
	Hire purchase interest	9,467	13,403
		<u>84,243</u>	<u>52,884</u>
5	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	146,109	77,116
	Adjustment for prior years	(6,843)	(87)
	Current tax charge	<u>139,266</u>	<u>77,029</u>
	Deferred tax		
	Origination and reversal of timing differences	11,383	(7,671)
		<u>150,649</u>	<u>69,358</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

5 Taxation	(continued)	
	2010	2009
	£	£
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>564,628</u>	<u>342,567</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2009 - 28 00%)	<u>158,096</u>	<u>95,919</u>
Effects of		
Non deductible expenses	15,732	-
Depreciation add back	188,046	193,150
Capital allowances	(198,010)	(187,557)
Other tax adjustments	<u>(24,598)</u>	<u>(24,483)</u>
	<u>(18,830)</u>	<u>(18,890)</u>
Current tax charge	<u>139,266</u>	<u>77,029</u>

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2010	2009
	£	£
Holding company's profit for the financial year	<u>413,979</u>	<u>273,209</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

7 Intangible fixed assets

Group

	Goodwill	Water licence	Sugar Beet Quota	Storage rights	SPS entitlement	Total
	£	£	£	£	£	£
Cost						
At 1 January 2010	689,471	7,000	88,998	36,000	20,878	842,347
Written off	-	-	(88,998)	-	-	(88,998)
At 31 December 2010	689,471	7,000	-	36,000	20,878	753,349
Amortisation						
At 1 January 2010	689,471	4,200	88,998	-	6,953	789,622
Charge for the year	-	700	-	-	6,962	7,662
Written off	-	-	(88,998)	-	-	(88,998)
At 31 December 2010	689,471	4,900	-	-	13,915	708,286
Net book value						
At 31 December 2010	-	2,100	-	36,000	6,963	45,063
At 31 December 2009	-	2,800	-	36,000	13,925	52,725

Company

	Water licence	Sugar Beet Quota	Storage rights	SPS entitlement	Total
	£	£	£	£	£
Cost					
At 1 January 2010	7,000	88,998	36,000	20,878	152,876
Written off	-	(88,998)	-	-	(88,998)
At 31 December 2010	7,000	-	36,000	20,878	63,878
Amortisation					
At 1 January 2010	4,200	88,998	-	6,953	100,151
Charge for the year	700	-	-	6,962	7,662
Written off	-	(88,998)	-	-	(88,998)
At 31 December 2010	4,900	-	-	13,915	18,815
Net book value					
At 31 December 2010	2,100	-	36,000	6,963	45,063
At 31 December 2009	2,800	-	36,000	13,925	52,725

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

**8 Tangible fixed assets
Group and Company**

	Short Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2010	1,263,991	6,979,263	34,913	168,175	8,446,342
Additions	215,394	1,300,677	-	36,361	1,552,432
Disposals	-	(899,054)	-	(43,500)	(942,554)
At 31 December 2010	<u>1,479,385</u>	<u>7,380,886</u>	<u>34,913</u>	<u>161,036</u>	<u>9,056,220</u>
Depreciation					
At 1 January 2010	616,353	4,542,983	28,354	62,605	5,250,295
On disposals	-	(598,012)	-	(17,766)	(615,778)
Charge for the year	71,826	703,712	873	28,869	805,280
At 31 December 2010	<u>688,179</u>	<u>4,648,683</u>	<u>29,227</u>	<u>73,708</u>	<u>5,439,797</u>
Net book value					
At 31 December 2010	<u>791,206</u>	<u>2,732,203</u>	<u>5,686</u>	<u>87,328</u>	<u>3,616,423</u>
At 31 December 2009	<u>647,638</u>	<u>2,436,280</u>	<u>6,559</u>	<u>105,570</u>	<u>3,196,047</u>

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Net book values				
At 31 December 2010	823,718	-	-	823,718
At 31 December 2009	<u>708,175</u>	<u>-</u>	<u>-</u>	<u>708,175</u>
Depreciation charge for the year				
31 December 2010	199,002	-	-	199,002
31 December 2009	<u>167,856</u>	<u>-</u>	<u>-</u>	<u>167,856</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

9 Fixed asset investments

Group

**Shares in
participating
interests
£**

Cost and net book value

At 1 January 2010 and at 31 December 2010

1

The Group holds a 44.44% interest in Southery Potato Storage Ltd, an agricultural co-operative incorporated in England and Wales. The net assets at the most recent balance sheet date, 31 March 2010, amounted to £164,839 and the profit for the year then ended amounted to £1,527.

The Group's share of the net assets and profit of Southery Potato Storage Ltd has not been included within these consolidated financial statements on the basis that they are immaterial.

Company

**Shares in
group
undertakings
£**

Cost and net book value

At 1 January 2010 and at 31 December 2010

689,571

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Guyer Farms Limited	England and Wales	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Guyer Farms Limited	Dormant

WALDERSEY FARMS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010****10 Stocks and work in progress**

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Raw materials and consumables	397,997	325,188	397,997	325,188
Work in progress	737,269	731,567	737,269	731,567
Finished goods and goods for resale	3,257,456	3,386,556	3,257,456	3,386,556
	<u>4,392,722</u>	<u>4,443,311</u>	<u>4,392,722</u>	<u>4,443,311</u>

11 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	2,095,427	950,411	2,095,427	950,411
Other debtors	45,000	299,308	45,000	299,308
Prepayments and accrued income	1,276,837	1,317,566	1,276,837	1,317,566
	<u>3,417,264</u>	<u>2,567,285</u>	<u>3,417,264</u>	<u>2,567,285</u>

Amounts falling due after more than one year and included in the debtors above are

	2010	2009	2010	2009
	£	£	£	£
Other debtors	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

12 Creditors : amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	448,826	-	448,826	-
Net obligations under finance lease and hire purchase contracts	280,326	247,391	280,326	247,391
Trade creditors	1,519,257	1,602,724	1,519,257	1,602,724
Amounts owed to group undertakings	-	-	378,408	378,408
Corporation tax	146,109	77,116	146,109	77,116
Taxes and social security costs	54,433	32,151	54,433	32,151
Other creditors	8,100	8,100	8,100	8,100
Accruals and deferred income	1,009,030	872,753	1,009,030	872,753
	<u>3,466,081</u>	<u>2,840,235</u>	<u>3,844,489</u>	<u>3,218,643</u>

13 Creditors : amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Debenture loans	3,893,100	3,893,100	3,893,100	3,893,100
Other loans	48,600	56,700	48,600	56,700
Net obligations under finance leases and hire purchase agreements	158,608	199,335	158,608	199,335
	<u>4,100,308</u>	<u>4,149,135</u>	<u>4,100,308</u>	<u>4,149,135</u>
Analysis of loans				
Not wholly repayable within five years by instalments				
Other loans	56,700	64,800	56,700	64,800
Not wholly repayable within five years other than by instalments				
Debenture loan	-	3,893,100	-	3,893,100
Wholly repayable within five years	3,893,100	-	3,893,100	-
	<u>3,949,800</u>	<u>3,957,900</u>	<u>3,949,800</u>	<u>3,957,900</u>
Included in current liabilities	(8,100)	(8,100)	(8,100)	(8,100)
	<u>3,941,700</u>	<u>3,949,800</u>	<u>3,941,700</u>	<u>3,949,800</u>
Instalments not due within five years	<u>16,200</u>	<u>24,300</u>	<u>16,200</u>	<u>24,300</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

13 Creditors : amounts falling due after more than one year (continued)

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Loan maturity analysis				
In more than one year but not more than two years	8,100	8,100	8,100	8,100
In more than two years but not more than five years	3,917,400	24,300	3,917,400	24,300
In more than five years	16,200	3,917,400	16,200	3,917,400

The debenture loan is secured by a fixed and floating charge over the assets of the company. The debenture has a maturity date of 31 March 2015. The debenture carries interest at a rate equivalent to one percent above the prevailing Bank of England base rate.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	280,326	247,391	280,326	247,391
Repayable between one and five years	158,608	199,336	158,608	199,336
	438,934	446,727	438,934	446,727
Included in liabilities falling due within one year	(280,326)	(247,391)	(280,326)	(247,391)
	158,608	199,336	158,608	199,336

**14 Provisions for liabilities
Group and Company**

	Deferred taxation £
Balance at 1 January 2010	180,470
Profit and loss account	11,383
Balance at 31 December 2010	191,853

The deferred tax liability is made up as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	191,853	180,470	191,853	180,470

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

15 Pension and other post-retirement benefit commitments

Defined contribution

	2010	2009
	£	£
Contributions payable by the group for the year	37,815	36,787

16 Share capital

	2010	2009
	£	£
Authorised		
2,000,000 Ordinary of each	2,000,000	2,000,000
1,000,000 Preference of each	1,000,000	1,000,000
	<u>3,000,000</u>	<u>3,000,000</u>
Allotted, called up and fully paid		
1,365,000 Ordinary of each	1,365,000	1,365,000

17 Statement of movements on reserves

Group	Other reserves (see below)	Profit and loss account
	£	£
Balance at 1 January 2010	500,000	1,503,889
Profit for the year	-	413,979
Dividends paid	-	(68,250)
Balance at 31 December 2010	<u>500,000</u>	<u>1,849,618</u>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2010 and at 31 December 2010	<u>500,000</u>	

WALDERSEY FARMS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010****17 Statement of movement on reserves****(continued)****Company**

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2010	500,000	1,813,798
Profit for the year	-	413,979
Dividends paid	-	(68,250)
	<u>500,000</u>	<u>2,159,527</u>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2010 & at 31 December 2010	<u>500,000</u>	

18 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Group		
Profit for the financial year	413,979	273,209
Dividends	(68,250)	-
	<u>345,729</u>	<u>273,209</u>
Net addition to shareholders' funds	345,729	273,209
Opening shareholders' funds	3,368,889	3,095,680
	<u>3,714,618</u>	<u>3,368,889</u>
Closing shareholders' funds	<u>3,714,618</u>	<u>3,368,889</u>
Company	2010 £	2009 £
Profit for the financial year	413,979	273,209
Dividends	(68,250)	-
	<u>345,729</u>	<u>273,209</u>
Net addition to shareholders' funds	345,729	273,209
Opening shareholders' funds	3,678,798	3,405,589
	<u>4,024,527</u>	<u>3,678,798</u>
Closing shareholders' funds	<u>4,024,527</u>	<u>3,678,798</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

19 Financial commitments

At 31 December 2010 the Group and Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
In over five years	<u>1,334,772</u>	<u>1,256,012</u>

20 Directors' remuneration

	2010	2009
	£	£
Remuneration for qualifying services	166,610	157,110
Amounts receivable under long term incentive schemes	33,481	29,897
Company pension contributions to defined contribution schemes	5,754	5,613
Sums paid to third parties for directors' services	<u>10,000</u>	<u>10,000</u>
	<u>215,845</u>	<u>202,620</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2009 - 1)

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

Remuneration for qualifying services	<u>109,827</u>	<u>103,605</u>
Long term incentive schemes	25,111	22,423
Company pension contributions to defined contribution schemes	<u>5,754</u>	<u>5,613</u>

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

21 Employees

Number of employees

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

	2010	2009
	Number	Number
Management	6	6
Marketing and administration	3	3
Farm staff	17	17
	<u>26</u>	<u>26</u>

Employment costs

	2010	2009
	£	£
Wages and salaries	1,187,924	1,053,574
Social security costs	122,027	108,850
Other pension costs	37,815	36,787
	<u>1,347,766</u>	<u>1,199,211</u>

22 Control

The company is controlled by South Yorkshire Pension Authority within the meaning of the Local Government and Housing Act 1989

WALDERSEY FARMS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010****23 Related party transactions**

The Group and Company had the following transactions with related parties

	2010	2009
	£	£

The company had the following transactions with the South Yorkshire Pensions Authority under normal commercial terms as follows -

Rent	1,393,705	1,376,690
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The amount due to the South Yorkshire Pensions Authority at the year end amounted to £Nil (2009 - £317,553)

The South Yorkshire Pensions Authority has a debenture in the company of up to £4,000,000 Variable Rate Secured Loan Notes due 2015

Amount outstanding	3,893,100	3,893,100
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Interest	58,260	20,379
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The company had the following transactions with AKC Agriculture, a Partnership of which the Director R B Loxton is a Partner

Professional fees	32,337	34,231
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24 Reconciliation of operating profit to net cash outflow from operating activities

	2010	2009
	£	£
Operating profit	648,871	395,451
Depreciation of tangible assets	805,280	752,102
Amortisation of intangible assets	7,662	37,319
Profit on disposal of tangible assets	(133,689)	(62,279)
Decrease/(increase) in stocks	50,589	(200,805)
Increase in debtors	(849,979)	(338,770)
Increase in creditors within one year	75,092	63,397
Net cash outflow from operating activities	603,826	646,415

WALDERSEY FARMS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2010**

25 Analysis of net debt	1 January 2010	Cash flow	Other non- cash changes	31 December 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	279,360	(277,973)	-	1,387
Bank overdrafts	-	(448,826)	-	(448,826)
	<u>279,360</u>	<u>(726,799)</u>	<u>-</u>	<u>(447,439)</u>
Finance leases	(446,726)	279,123	(271,331)	(438,934)
Debts falling due within one year	(8,100)	-	-	(8,100)
Debts falling due after one year	(3,949,800)	8,100	-	(3,941,700)
	<u>(4,404,626)</u>	<u>287,223</u>	<u>(271,331)</u>	<u>(4,388,734)</u>
Net debt	<u>(4,125,266)</u>	<u>(439,576)</u>	<u>(271,331)</u>	<u>(4,836,173)</u>

26 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
(Decrease)/increase in cash in the year	(726,799)	681,488
Cash outflow/(inflow) from decrease/(increase) in debt	287,223	(708,398)
Change in net debt resulting from cash flows	(439,576)	(26,910)
New finance lease	(271,331)	(401,497)
Movement in net debt in the year	(710,907)	(428,407)
Opening net debt	(4,125,266)	(3,696,859)
Closing net debt	<u>(4,836,173)</u>	<u>(4,125,266)</u>