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J S. R FARMS LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

Bradbury & Co

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J. S. R. FARMS LIMITED

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FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

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J S R FARMS LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

DIRECTORS:

T S Rymer
E P G Huxtable
Mrs E C Rymer
Lord C R Haskins
V R Hedley Lewis
K J Walker
G A Dams
J E Christian

SECRETARY.

D Milburn

REGISTERED OFFICE:

Southburn Offices
Southburn
Driffeld
East Yorkshire
YO25 9ED

REGISTERED NUMBER:

01221759

AUDITORS:

Bradbury & Co (Accountants) Limited
Chartered Certified Accountants
and Registered Auditors
Driffeld

J. S. R. FARMS LIMITED
CHAIRMAN'S REPORT
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

The group net profit before taxation amounts to £3 012m (2006 - £2 023m) The group figures combine the 3 companies JSR Farms Limited, JSR Genetics Limited, JSR Healthbred Limited and their associates

The group's principal activities are those of arable and pig farming It conducts this business in both the UK and international markets During the last 12 months the group has grown its international business, as demand for its products and services increased, particularly in Central and Eastern Europe

In addition health protocols during this period have continued to be resolved between respective governments around the world which lapsed during the Foot and Mouth crisis in 2001 This has opened up a number of countries who hitherto the group has been unable to do business with Managing the risk of a disease breakdown in the UK means the group is actively looking at nucleus and multiplication pyramids outside the UK and nearer to the customer base

The group pig prices for commercial stock together with average feed prices meant a solid year for commercial pig production Group performance on these units meant the best units were performing at 26 pigs/sow/year with a low feed price and the DAPP for the year of 105p/kg

Due to low commodity prices the arable business focussed on cost control This has allowed them to reduce their cost per tonne of wheat from £75/tonne to £72/tonne due to investment in large scale equipment and fewer staff The potato business performed well and helped increase profitability for the arable business

Staff numbers during the period were approximately 146 (135 - 2006) Staff turnover was down to 12% (35% - 2006) indicating a settled team within the business Lost days due to accidents was down to 0.4% compared to the industry average of 1.5%

The twin track strategy of non core asset sales to reduce debt coupled with improved trading performance allowing for prudent investment for future profitable growth is delivering results It is a robust strategy implemented well by an excellent team Further evidence of this improved trading performance is reflected in these accounts

Prospects for the period to 27 June 2008 are less certain Although the arable business will benefit significantly from the higher commodity prices the pig business will be adversely affected by the higher feed costs and the Foot and Mouth crisis of 2007 which has led to loss of sales of breeding stock in export markets We do not expect to see the benefit of compensatory growth in sales until the financial period ending in June 2009

T S Rymer
Chairman
November 2007

J. S. R. FARMS LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

The directors present their report with the financial statements of the company and the group for the period 1 July 2006 to 29 June 2007

PRINCIPAL ACTIVITIES

The principal activities of the group in the period under review were those of arable and pig farming

REVIEW OF BUSINESS

The results for the period and financial position of the company and the group are as shown in the annexed financial statements

The key financial highlights are as follows

	2007 £'000	2006 £'000
Turnover	21,876	20,965
Profit before tax	3,012	2,023
Net debt	1,811	4,086
Net assets	10,849	7,910

The group continues to trade profitably in the rapidly changing agricultural industry. Due to lower base costs arable farming produced a profit before rent and the single farm payment, whilst pig breeding benefited from lower commodity prices and more price stability in commercial slaughter pigs. The property business had a good year maximising occupancy rates and rental returns.

The twin track strategy of improving trading performance and disposing of non-core assets has resulted in an increase of 989K in profit for the period. This has resulted in the company being in a stronger financial position at the year-end with net debt falling from £4.1M to £1.8M.

The major risks facing the group are in respect of disease outbreaks that may limit the movement of livestock, either nationally or internationally. The group is actively looking at nucleus and multiplication pyramids outside the UK and nearer the customer base to mitigate the risk of a disease outbreak in the UK.

DIVIDENDS

Dividends of £135,868 were paid on the 6.5% cumulative preference shares on the due dates of 5 October 2006 and 5 April 2007. The relevant proportion of the preference dividend of £67,934, due on 5 October 2007, has been provided for in these accounts.

No interim dividend was paid on the ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the period ended 29 June 2007 will be £135,868.

FIXED ASSETS

In the directors' opinion the market value of the land and buildings is in excess of the net book value as shown in the balance sheet at 29 June 2007.

RESEARCH AND DEVELOPMENT

Group research and development expenditure of £233,775 (2006 - £201,071) continues with the application and testing of new procedures and techniques.

FUTURE DEVELOPMENTS

The group continues to review its activities to improve its competitiveness in global commodity markets. The directors are confident that the lower cost base will allow the group to maximise the opportunities for organic growth in all parts of the business over the next five years.

J. S. R FARMS LIMITED**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007****DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2006 to the date of this report

T S Rymer
E P G Huxtable
Mrs E C Rymer
Lord C R Haskins
V R Hedley Lewis
K J Walker
G A Dams
J E Christian

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise of bank balances, bank overdrafts and loans, trade debtors, trade creditors and hire purchase contracts. The main purpose of these instruments is to raise funds and finance for the group's operations

Due to the nature of the financial instruments used by the group there is low exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The bank loans and hire purchase contracts are from financial institutions and the interest and repayments are fixed. The group manages the liquidity risk by ensuring there are sufficient funds to meet the repayments

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due

MONETARY UNION

The group is committed to ensuring that its business procedures are appropriate and systems compliant with the consequences of the introduction of the Euro, whether or not the United Kingdom participates. Costs of compliance to date and in the future are not anticipated to be significant

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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 estimates that are reasonable and prudent,
- state whether applicable 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 company will continue in business

J. S. R. FARMS LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Bradbury & Co (Accountants) Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



D Milburn - Secretary

2 November 2007

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
J. S. R. FARMS LIMITED**

We have audited the financial statements of J S R Farms Limited for the period ended 29 June 2007 on pages eight to thirty five. 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 directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on pages four and five.

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 Report of the Directors 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
J. S. R. FARMS LIMITED**

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 affairs of the company and the group as at 29 June 2007 and of the profit of the group for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Bradbury & Co (Accountants) Limited

Bradbury & Co (Accountants) Limited
Chartered Certified Accountants
and Registered Auditors
Driffield

Date *4 December 2007.*

J. S. R. FARMS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

	Notes	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
TURNOVER	2	21,876	20,965
Cost of sales		<u>(17,438)</u>	<u>(16,459)</u>
GROSS PROFIT		4,438	4,506
Distribution costs		(1,720)	(1,803)
Administrative expenses		<u>(1,595)</u>	<u>(1,787)</u>
		1,123	916
Other operating income		<u>361</u>	<u>398</u>
OPERATING PROFIT	4	1,484	1,314
Pension contribution	5	-	(350)
Profit on sale of fixed assets	5	1,368	1,988
Damages compensation/ settlement	5	<u>325</u>	<u>(500)</u>
		3,177	2,452
Income from joint ventures		55	44
Interest receivable and similar income		<u>9</u>	<u>-</u>
		3,241	2,496
Interest payable and similar charges	6	(219)	(443)
Other finance costs	24	<u>(10)</u>	<u>(30)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,012	2,023
Tax on profit on ordinary activities	7	<u>(427)</u>	<u>(158)</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		2,585	1,865
Minority interest - equity		<u>(11)</u>	<u>-</u>
RETAINED PROFIT FOR THE PERIOD FOR THE GROUP		<u><u>2,574</u></u>	<u><u>1,865</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current period or previous period

The notes form part of these financial statements

J S. R. FARMS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
PROFIT FOR THE FINANCIAL PERIOD	2,574	1,865
Actuarial gain	450	260
Pension contributions from previous pension provider	400	90
Movement on pension indemnity valuation	<u>(350)</u>	<u>(370)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>3,074</u>	1,845
Prior year adjustment		<u>(762)</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>1,083</u>

The notes form part of these financial statements

J S. R FARMS LIMITED
CONSOLIDATED BALANCE SHEET
29 JUNE 2007

	Notes	2007 £'000	2006 £'000
FIXED ASSETS			
Intangible assets	10	435	500
Tangible assets	11	7,349	7,950
Investments	12	<u>460</u>	<u>404</u>
		<u>8,244</u>	<u>8,854</u>
CURRENT ASSETS			
Stocks	13	5,569	5,092
Debtors	14	2,301	2,763
Cash at bank and in hand		<u>390</u>	<u>212</u>
		8,260	8,067
CREDITORS			
Amounts falling due within one year	15	<u>(4,312)</u>	<u>(6,667)</u>
NET CURRENT ASSETS		<u>3,948</u>	<u>1,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,192	10,254
CREDITORS			
Amounts falling due after more than one year	16	(935)	(1,456)
PENSION INDEMNITY	20	-	350
PENSION LIABILITY	24	(330)	(1,170)
MINORITY INTERESTS	21	<u>(78)</u>	<u>(68)</u>
NET ASSETS		<u>10,849</u>	<u>7,910</u>

The notes form part of these financial statements

J S. R. FARMS LIMITED

CONSOLIDATED BALANCE SHEET - continued
29 JUNE 2007

	Notes	2007 £'000	2006 £'000
CAPITAL AND RESERVES			
Called up share capital	22	3,893	3,893
Capital redemption reserve	23	150	150
Merger reserve	23	3,702	3,702
Profit and loss account		<u>3,104</u>	<u>165</u>
SHAREHOLDERS' FUNDS	27	<u>10,849</u>	<u>7,910</u>

The financial statements were approved by the Board of Directors on 2 November 2007 and were signed on its behalf by



Lord C R Haskins - Director



T S Rymer - Director

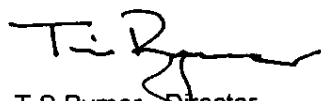
J. S. R. FARMS LIMITED
COMPANY BALANCE SHEET
29 JUNE 2007

	Notes	2007 £'000	2006 £'000
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	6,618	7,146
Investments	12	<u>1,776</u>	<u>1,776</u>
		<u>8,394</u>	<u>8,922</u>
CURRENT ASSETS			
Stocks	13	4,544	4,148
Debtors	14	1,179	1,276
Cash at bank and in hand		<u>174</u>	<u>1</u>
		5,897	5,425
CREDITORS			
Amounts falling due within one year	15	<u>(3,319)</u>	<u>(4,711)</u>
NET CURRENT ASSETS		<u>2,578</u>	<u>714</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,972	9,636
CREDITORS			
Amounts falling due after more than one year	16	<u>(924)</u>	<u>(1,437)</u>
NET ASSETS		<u>10,048</u>	<u>8,199</u>
CAPITAL AND RESERVES			
Called up share capital	22	3,893	3,893
Capital redemption reserve	23	150	150
Profit and loss account		<u>6,005</u>	<u>4,156</u>
SHAREHOLDERS' FUNDS	27	<u>10,048</u>	<u>8,199</u>

The financial statements were approved by the Board of Directors on 2 November 2007 and were signed on its behalf by



Lord C R Haskins - Director



T S Rymer - Director

The notes form part of these financial statements

J S. R. FARMS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

		Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Net cash inflow from operating activities	Notes 1	1,925	1,363
Returns on investments and servicing of finance	2	(210)	(443)
Taxation		(136)	1
Capital expenditure and financial investment	2	1,332	2,709
Equity dividends paid		<u>(136)</u>	<u>(136)</u>
		2,775	3,494
Financing	2	<u>(1,488)</u>	<u>(1,294)</u>
Increase in cash in the period		<u>1,287</u>	<u>2,200</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		1,287	2,200
Cash outflow from decrease in debt and lease financing		<u>988</u>	<u>1,294</u>
Change in net debt resulting from cash flows		<u>2,275</u>	<u>3,494</u>
Movement in net debt in the period		2,275	3,494
Net debt at 1 July		<u>(4,086)</u>	<u>(7,580)</u>
Net debt at 29 June		<u>(1,811)</u>	<u>(4,086)</u>

The notes form part of these financial statements

J. S. R. FARMS LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Operating profit	1,484	1,314
Depreciation charges	676	795
Profit on disposal of fixed assets	(17)	(39)
Amortisation	65	(32)
Capitalisation of livestock	(22)	(7)
Exceptional pension contribution	-	(350)
Compensation/settlement re damages claim	325	(500)
Increase in stocks	(477)	(308)
Decrease in debtors	460	139
(Decrease)/Increase in creditors	(569)	351
Net cash inflow from operating activities	<u>1,925</u>	<u>1,363</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Returns on investments and servicing of finance		
Interest received	9	-
Interest paid	(218)	(430)
Interest element of hire purchase payments	(1)	(13)
Net cash outflow for returns on investments and servicing of finance	<u>(210)</u>	<u>(443)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(442)	(380)
Sale of tangible fixed assets	83	76
Exceptional income	1,692	3,012
Net cash inflow for capital expenditure and financial investment	<u>1,332</u>	<u>2,709</u>
Financing		
New hire purchase in year	103	79
Loan repayments in year	(2,083)	(1,217)
New loans in year	1,120	-
Capital repayments in year	(128)	(156)
Settlement of deferred consideration	(500)	-
Net cash outflow from financing	<u>(1,488)</u>	<u>(1,294)</u>

The notes form part of these financial statements

J. S. R. FARMS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/06 £'000	Cash flow £'000	At 29/6/07 £'000
Net cash			
Cash at bank and in hand	212	178	390
Bank overdrafts	<u>(1,156)</u>	<u>1,109</u>	<u>(47)</u>
	<u>(944)</u>	<u>1,287</u>	<u>343</u>
Debt			
Hire purchase	(184)	25	(159)
Debts falling due within one year	(1,583)	443	(1,140)
Debts falling due after one year	<u>(1,375)</u>	<u>520</u>	<u>(855)</u>
	<u>(3,142)</u>	<u>988</u>	<u>(2,154)</u>
Total	<u>(4,086)</u>	<u>2,275</u>	<u>(1,811)</u>

The notes form part of these financial statements

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

1 ACCOUNTING POLICIES

Accounting convention

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

Basis of consolidation

The group financial statements consolidate the accounts of J S R Farms Limited and its subsidiary undertakings drawn up to 29 June 2007

Entities, other than subsidiary undertakings, in which the group holds an interest on a long term basis and are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group accounts, joint ventures are accounted for using the gross equity method in respect of the accounting periods detailed below

Beef Improvement Group Limited	6 April 2006 to 5 April 2007
JSR Clover Limited	1 July 2006 to 30 June 2007
Hyfarm PTY Limited	1 July 2006 to 30 June 2007

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill arising on acquisitions prior to 30 September 1998 was set off directly against reserves. Goodwill previously eliminated against reserves has not been reinstated on implementation of Financial Reporting standard No 10, Goodwill and Intangible Assets. Positive goodwill arising on acquisitions since 1 October 1998 is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful anticipated economic life of ten years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. If a subsidiary, joint venture or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Negative goodwill is capitalised and subsequently released through the profit and loss account over five years, which in the opinion of the directors is the period to be benefited.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

1 ACCOUNTING POLICIES - continued**Tangible fixed assets**

Livestock held mainly for production purposes rather than sale, for in excess of two years, is included in fixed assets and capitalised at cost of acquisition, or cost of production, as appropriate and depreciated to anticipated cull values on a straight line basis over four years in respect of sheep and seven years in respect of cattle

The cost of other fixed assets is written off over their expected useful lives, using the straight line method, as follows

Farm buildings on freehold or tenanted land	20 years
Fixed equipment	4 - 10 years
Implements	7 years
Tractors	7 years
Motor vehicles	4 years

Freehold land is not depreciated Dwellings are not depreciated as it is the group's practice to maintain these properties in a continual state of sound repair and accordingly the directors consider that the economic lives and residual values, based on prices prevailing at the date of acquisition, are such that both depreciation and accumulated depreciation are insignificant The carrying values of tangible fixed assets are reviewed for impairments in periods if events or changes in circumstances indicate the carrying values may not be recoverable

Stocks

Stocks are valued at the lower of cost and net realisable value Livestock and arable valuations are inclusive of attributable overheads

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date However, due to the incidence of tax losses the directors have not provided for any potential liability

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet Those held under hire purchase contracts are depreciated over their estimated useful lives Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Pensions

Amounts charged to the profit and loss account in respect of the defined benefit schemes are calculated by actuaries to spread the future cost of pensions over the average expected working lives of the current active members

Payments to the defined contribution schemes are charged to the profit and loss account as incurred

J. S. R FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

1 ACCOUNTING POLICIES - continued

Fixed asset investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value where appropriate

Reclassification of overheads

The directors have reviewed the treatment of certain overheads incurred during the period and believe that these overheads should be included as cost of sales rather than administrative expenses to enable the accounts to continue to give a true and fair view. The comparatives have been adjusted for accordingly.

2 TURNOVER

Turnover has not been analysed by geographical markets as, in the directors' opinion, the disclosure would be seriously prejudicial to the group's interests.

3 STAFF COSTS

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Wages and salaries	3,076	2,976
Social security costs	288	292
Other pension costs	<u>81</u>	<u>75</u>
	<u>3,445</u>	<u>3,343</u>

The average monthly number of employees during the period was as follows

	Period 1/7/06 to 29/6/07	Period 25/6/05 to 30/6/06
Management	18	16
Production	111	104
Administration	<u>17</u>	<u>15</u>
	<u>146</u>	<u>135</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Depreciation - owned assets	587	685
Depreciation - assets on hire purchase contracts	88	111
Profit on disposal of fixed assets	(22)	(39)
Goodwill amortisation	73	73
Negative goodwill amortisation	(8)	(104)
Auditors' remuneration	41	36
Auditors' non audit remuneration	11	6
Research and development	234	201
Hire of plant and equipment	252	213
Operating lease rentals	<u>529</u>	<u>558</u>

	Period 1/7/06 to 29/6/07 £	Period 25/6/05 to 30/6/06 £
Directors' emoluments	463,052	369,890
Directors' pension contributions to money purchase schemes	<u>18,661</u>	<u>12,592</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>5</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	Period 1/7/06 to 29/6/07 £	Period 25/6/05 to 30/6/06 £
Emoluments etc	107,921	83,106
Pension contributions to money purchase schemes	<u>-</u>	<u>3,850</u>

5 EXCEPTIONAL ITEMS

During the period to 29 June 2007 the group sold off various non-core assets which has resulted in an exceptional profit of £1,368,052 (2006 - £1,987,507) During the period a deferred obligation was reduced by £325,000 by the previous owners of Cotswold Pig Development Company Limited in respect of a payment of £500,000 made by the group to a customer for settlement of a damages claim

J S R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Bank interest	218	430
Hire purchase	<u>1</u>	<u>13</u>
	<u>219</u>	<u>443</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Current tax		
UK corporation tax	379	158
Underprovision from prior year	<u>48</u>	<u>-</u>
Tax on profit on ordinary activities	<u>427</u>	<u>158</u>

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Profit on ordinary activities before tax	<u>3,012</u>	<u>2,023</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	904	607
Effects of		
Losses utilised in the year	(374)	(380)
Depreciation in excess of capital allowances	12	34
Marginal relief	(8)	(11)
Capital gains adjustments	(48)	(290)
Disallowed income/expenses	(111)	197
Other	4	1
Underprovision from prior year	<u>48</u>	<u>-</u>
Current tax charge	<u>427</u>	<u>158</u>

J. S. R FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

8 PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,984,661 (2006 - £1,228,632)

9 DIVIDENDS

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Cumulative preference shares of £1 each		
Interim	<u>136</u>	<u>136</u>

10 INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	Negative goodwill £'000	Totals £'000
COST			
At 1 July 2006			
and 29 June 2007	<u>726</u>	<u>(521)</u>	<u>205</u>
AMORTISATION			
At 1 July 2006	211	(506)	(295)
Amortisation for period	<u>73</u>	<u>(8)</u>	<u>65</u>
At 29 June 2007	<u>284</u>	<u>(514)</u>	<u>(230)</u>
NET BOOK VALUE			
At 29 June 2007	<u>442</u>	<u>(7)</u>	<u>435</u>
At 30 June 2006	<u>515</u>	<u>(15)</u>	<u>500</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

11 TANGIBLE FIXED ASSETS

Group

	Freehold land and buildings £'000	Buildings on tenanted land £'000	Plant, equipment and vehicles £'000	Livestock £'000	Totals £'000
COST					
At 1 July 2006	8,437	3,606	6,500	130	18,673
Additions	17	5	419	23	464
Disposals	(505)	(20)	(293)	(51)	(869)
At 29 June 2007	<u>7,949</u>	<u>3,591</u>	<u>6,626</u>	<u>102</u>	<u>18,268</u>
DEPRECIATION					
At 1 July 2006	2,815	2,588	5,293	27	10,723
Charge for period	167	137	365	6	675
Eliminated on disposal	(178)	(7)	(284)	(10)	(479)
At 29 June 2007	<u>2,804</u>	<u>2,718</u>	<u>5,374</u>	<u>23</u>	<u>10,919</u>
NET BOOK VALUE					
At 29 June 2007	<u>5,145</u>	<u>873</u>	<u>1,252</u>	<u>79</u>	<u>7,349</u>
At 30 June 2006	<u>5,622</u>	<u>1,018</u>	<u>1,207</u>	<u>103</u>	<u>7,950</u>

Included in cost of land and buildings is freehold land of £3,774,743 (2006 - £4,098,743) which is not depreciated

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant, equipment and vehicles £'000
COST	
At 1 July 2006	802
Additions	121
Transfer to ownership	(246)
At 29 June 2007	<u>677</u>
DEPRECIATION	
At 1 July 2006	339
Charge for period	88
Transfer to ownership	(161)
At 29 June 2007	<u>266</u>
NET BOOK VALUE	
At 29 June 2007	<u>411</u>
At 30 June 2006	<u>463</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

11 TANGIBLE FIXED ASSETS - continued

Company

	Freehold land and buildings £'000	Buildings on tenanted land £'000	Plant, equipment and vehicles £'000	Livestock £'000	Totals £'000
COST					
At 1 July 2006	7,789	3,407	4,638	130	15,964
Additions	16	5	383	23	427
Disposals	(505)	(20)	(293)	(51)	(869)
At 29 June 2007	<u>7,300</u>	<u>3,392</u>	<u>4,728</u>	<u>102</u>	<u>15,522</u>
DEPRECIATION					
At 1 July 2006	2,597	2,534	3,660	27	8,818
Charge for period	150	124	285	6	565
Eliminated on disposal	(178)	(7)	(284)	(10)	(479)
At 29 June 2007	<u>2,569</u>	<u>2,651</u>	<u>3,661</u>	<u>23</u>	<u>8,904</u>
NET BOOK VALUE					
At 29 June 2007	<u>4,731</u>	<u>741</u>	<u>1,067</u>	<u>79</u>	<u>6,618</u>
At 30 June 2006	<u>5,192</u>	<u>873</u>	<u>978</u>	<u>103</u>	<u>7,146</u>

Included in land and buildings is freehold land valued at £3,617 (2006 - £3,941) which is not depreciated

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant, equipment and vehicles £'000
COST	
At 1 July 2006	738
Additions	121
Transfer to ownership	(221)
At 29 June 2007	<u>638</u>
DEPRECIATION	
At 1 July 2006	318
Charge for period	82
Transfer to ownership	(143)
At 29 June 2007	<u>257</u>
NET BOOK VALUE	
At 29 June 2007	<u>381</u>
At 30 June 2006	<u>420</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

12 FIXED ASSET INVESTMENTS

Group

	Interest in joint ventures £'000	Unlisted investments £'000	Totals £'000
COST			
At 1 July 2006	403	1	404
Additions	<u>56</u>	<u>-</u>	<u>56</u>
At 29 June 2007	<u>459</u>	<u>1</u>	<u>460</u>
NET BOOK VALUE			
At 29 June 2007	<u>459</u>	<u>1</u>	<u>460</u>
At 30 June 2006	<u>403</u>	<u>1</u>	<u>404</u>

Company

	Shares in group undertakings £'000	Interest in joint ventures £'000	Unlisted investments £'000	Totals £'000
COST				
At 1 July 2006 and 29 June 2007	<u>1,772</u>	<u>3</u>	<u>1</u>	<u>1,776</u>
NET BOOK VALUE				
At 29 June 2007	<u>1,772</u>	<u>3</u>	<u>1</u>	<u>1,776</u>
At 30 June 2006	<u>1,772</u>	<u>3</u>	<u>1</u>	<u>1,776</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

J. S. R. Healthbred Limited

Nature of business Marketing Pigs

Class of shares	% holding
Ordinary	100 00

J. S. R. Genetics Limited

Nature of business Marketing pigs

Class of shares	% holding
Ordinary	99 00

Pig Improvement and Development Limited

Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

J. S R FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

12 FIXED ASSET INVESTMENTS - continued

Hyfarm JN PTY Limited

Country of incorporation Australia

Nature of business Pig sales and marketing

	%
Class of shares	holding
Dividend and capital	63 84
Voting shares	67 46

Hyfarm JSR Pig Reproduction Centre PTY Limited

Country of incorporation Australia

Nature of business Dormant

	%
Class of shares	holding
Ordinary	63 84

Cotswold Pig Development Company Limited

Nature of business Dormant

	%
Class of shares	holding
Ordinary	99 00

Norsvin JSR Limited

Nature of business Holding company

	%
Class of shares	holding
Ordinary	100 00

Joint Ventures

Beef Improvement Grouping Limited

Nature of business Cattle breeding

	%
Class of shares	holding
Ordinary	25 00

Hyfarm PTY Limited

Country of incorporation Australia

Nature of business Pig breeding

	%
Class of shares	holding
Ordinary	27 68

JSR Clover Limited

Nature of business Marketing of feed additives

	%
Class of shares	holding
Ordinary	50 00

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

13 STOCKS

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Livestock	3,404	3,040	2,479	2,212
Growing crops and feed	2,085	1,936	2,038	1,905
Sundry stocks	<u>80</u>	<u>116</u>	<u>27</u>	<u>31</u>
	<u>5,569</u>	<u>5,092</u>	<u>4,544</u>	<u>4,148</u>

14 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Trade debtors	1,725	1,767	686	725
Amounts owed by group undertakings	-	-	101	38
Amounts owed by participating interests	121	97	38	41
Other debtors	270	504	240	370
Tax	-	1	-	1
Prepayments and accrued income	<u>185</u>	<u>394</u>	<u>114</u>	<u>101</u>
	<u>2,301</u>	<u>2,763</u>	<u>1,179</u>	<u>1,276</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 17)	1,187	2,739	1,140	2,805
Hire purchase contracts (see note 18)	87	110	78	99
Trade creditors	1,446	2,041	972	917
Amounts owed to group undertakings	-	-	-	209
Tax	448	158	434	100
Social security and other taxes	146	91	50	44
Proposed dividends	34	34	34	34
Other creditors	619	1,087	499	415
Accruals and deferred income	<u>345</u>	<u>407</u>	<u>112</u>	<u>88</u>
	<u>4,312</u>	<u>6,667</u>	<u>3,319</u>	<u>4,711</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Bank loans (see note 17)	855	1,375	855	1,375
Hire purchase contracts (see note 18)	72	74	69	62
Other creditors	<u>8</u>	<u>7</u>	<u>-</u>	<u>-</u>
	<u>935</u>	<u>1,456</u>	<u>924</u>	<u>1,437</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

17 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Amounts falling due within one year or on demand				
Bank overdrafts	47	1,156	-	1,222
Bank loans	<u>1,140</u>	<u>1,583</u>	<u>1,140</u>	<u>1,583</u>
	<u>1,187</u>	<u>2,739</u>	<u>1,140</u>	<u>2,805</u>
Amounts falling due between one and two years				
Bank loans	<u>855</u>	<u>1,000</u>	<u>855</u>	<u>1,000</u>
Amounts falling due between two and five years				
Bank loans	<u>-</u>	<u>375</u>	<u>-</u>	<u>375</u>

18 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2007 £'000	2006 £'000
Net obligations repayable		
Within one year	87	110
Between one and five years	<u>72</u>	<u>74</u>
	<u>159</u>	<u>184</u>

Company

	Hire purchase contracts	
	2007 £'000	2006 £'000
Net obligations repayable		
Within one year	78	99
Between one and five years	<u>69</u>	<u>62</u>
	<u>147</u>	<u>161</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

18 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings		Other operating leases	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Expiring				
Within one year	-	-	8	21
Between one and five years	97	97	97	87
In more than five years	<u>343</u>	<u>343</u>	<u>37</u>	<u>-</u>
	<u>440</u>	<u>440</u>	<u>142</u>	<u>108</u>

Company

	Land and buildings		Other operating leases	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Expiring				
Within one year	-	-	8	-
Between one and five years	-	-	73	66
In more than five years	<u>342</u>	<u>342</u>	<u>37</u>	<u>-</u>
	<u>342</u>	<u>342</u>	<u>118</u>	<u>66</u>

19 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Bank overdrafts	47	1,156	-	1,222
Bank loans	1,995	2,958	1,995	2,958
Hire purchase contracts	<u>159</u>	<u>184</u>	<u>147</u>	<u>161</u>
	<u>2,201</u>	<u>4,298</u>	<u>2,142</u>	<u>4,341</u>

Group and company bank borrowings include an amount in respect of J S R Farms Limited of £1,995,000 (2006 - £4,180,427) which is secured by a fixed charge over certain land and buildings of the company

Group bank loans and overdrafts include an amount in respect of J S R Genetics Limited of £65,287 (2006 - £280,414) which is secured by fixed and floating charges over the assets of the subsidiary

NOTES TO THE FINANCIAL STATEMENTS - continued
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20 PENSION INDEMNITY

The pension scheme of Cotswold Pig Development Company Limited was assigned to J S R Genetics Limited with effect from 10 May 2002. Under the provisions of the Sale and Purchase agreement for the acquisition of Cotswold Pig Development Company Limited by J S R Genetics Limited, Ridley UK Holdings Limited, the previous owners, had indemnified the company for the shortfall of the pension scheme up to the statutory minimum funding requirements. At 30 June 2006 this indemnity amounted to £350,000 and during the period to 29 June 2007 a contribution of £400,000 was paid to the scheme to settle the indemnity.

21 MINORITY INTERESTS

The amount of minority interests shown in the balance sheet and charged to the profit and loss account relates wholly to equity interests.

22 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £'000	2006 £'000
2,000,000	Ordinary	£1	2,000	2,000
4,000,000	Cumulative preference	£1	<u>4,000</u>	<u>4,000</u>
			<u>6,000</u>	<u>6,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	2007 £'000	2006 £'000
1,802,990	Ordinary	£1	1,803	1,803
2,090,280	Cumulative preference	£1	<u>2,090</u>	<u>2,090</u>
			<u>3,893</u>	<u>3,893</u>

The preference shares carry a dividend of 6½% per annum, payable half yearly in arrears in October and April. The dividend rights are cumulative.

On a winding up of the company the preference shareholders have a right to receive £1 per share plus any accrued dividend in preference to payments to ordinary shareholders. The preference shares do not entitle the holders to vote at any general meeting of the company.

J. S. R. FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

23 RESERVES

Group

	Profit and loss account £'000	Capital redemption reserve £'000	Merger reserve £'000	Totals £'000
At 1 July 2006	166	150	3,702	4,018
Profit for the period	2,574			2,574
Dividends	(136)			(136)
Actuarial gain	450	-	-	450
Pension contributions from previous provider company	400	-	-	400
Movement on pension indemnity valuation	<u>(350)</u>	<u>-</u>	<u>-</u>	<u>(350)</u>
At 29 June 2007	<u>3,104</u>	<u>150</u>	<u>3,702</u>	<u>6,956</u>
Profit and loss account excluding pension liability	3,434			
Pension deficit	<u>(330)</u>			
Profit and loss account	<u>3,104</u>			

Company

	Profit and loss account £'000	Capital redemption reserve £'000	Totals £'000
At 1 July 2006	4,156	150	4,306
Profit for the period	1,985		1,985
Dividends	<u>(136)</u>	<u>-</u>	<u>(136)</u>
At 29 June 2007	<u>6,005</u>	<u>150</u>	<u>6,155</u>

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

24 PENSION COMMITMENTS

Since 1 April 2003 the group has operated, through JSR Farms Limited, a money purchase pension scheme with defined contribution levels for the benefit of full time employees. The assets of the scheme are administered by independent trustees in funds independent of those of the company. The company contributes 5.5% of employees salary.

The pension scheme of Cotswold Pig Development Company Limited was assigned to J S R Genetics Limited with effect from 10 May 2002. The accrued benefits of the scheme are defined in nature, with accrued pension being based on member's final salary. The FRS17 calculations for disclosure purposes have been based on an actuarial valuation carried out as at 29 June 2007 by a qualified independent actuary. The principle financial assumptions used by the actuary as at 29 June 2007 were:

	29/6/07	30/6/06	24/6/05
Rate of increase in pensions in payment	3.25%	3%	2.70%
Discount rate for scheme liabilities	5.75%	5.30%	5%
Inflation assumption	2.50%	3%	2.70%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 29/6/07	Value at 29/6/07 £'000	Long-term rate of return expected at 30/6/06	Value at 30/6/06 £'000	Long-term rate of return expected at 24/6/05	Value at 24/6/05 £'000
Equities	7.80%	3,850	7.20%	3,340	6.80%	2,820
Bonds	5.60%	320	4.90%	340	4.60%	330
Other	5.50%	500	4.50%	350	4.70%	300
Total market value of assets		4,670		4,030		3,450
Present value of scheme liabilities		(5,000)		(5,200)		(4,940)
Deficit in scheme		(330)		(1,170)		(1,490)
Net pension liability		(330)		(1,170)		(1,490)

Analysis of the amount charged to operating profit

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Total operating charge	-	-

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

24 PENSION COMMITMENTS - continued

Analysis of the amount credited to other finance income

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Expected return on pension scheme assets	270	220
Interest on pension scheme liabilities	<u>(280)</u>	<u>(250)</u>
Net return	<u>(10)</u>	<u>(30)</u>

Analysis of the amount recognised in statement of total recognised gains and losses (STRGL)

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Actual return less expected return on pension scheme assets	60	320
Experience gains and losses arising on the scheme liabilities	-	50
Changes in assumptions underlying the present value of the scheme liabilities	<u>390</u>	<u>(110)</u>
Actuarial gain recognised in STRGL	<u>450</u>	<u>260</u>

Movement in deficit during the period

	Period 1/7/06 to 29/6/07 £'000	Period 25/6/05 to 30/6/06 £'000
Deficit in scheme at start of period	(1,170)	(1,490)
Contributions by previous pension provider	400	90
Other finance income	(10)	(30)
Actuarial gain	<u>450</u>	<u>260</u>
Deficit in scheme at end of period	<u>(330)</u>	<u>(1,170)</u>

J S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

24 PENSION COMMITMENTS - continued

History of experience gains and losses

	Period 1/7/06 to 29/6/07	Period 25/6/05 to 30/6/06	Period 26/6/04 to 24/6/05	Period 28/6/03 to 25/6/04	Period 28/9/02 to 27/6/03
Difference between the expected and actual return on scheme assets amount (£'000)	60	320	190	150	120
percentage of scheme assets	1%	8%	6%	5%	4%
Experience gains and losses on scheme liabilities amount (£'000)	0	50	(10)	0	480
percentage of the present value of the scheme liabilities	0%	1%	0%	0%	12%
Total actuarial gain or loss amount (£'000)	450	260	(260)	(40)	300
percentage of the present value of the scheme liabilities	9%	5%	5%	1%	1%

25 CAPITAL COMMITMENTS

	2007 £'000	2006 £'000
Contracted but not provided for in the financial statements	<u>77</u>	<u>59</u>

J. S. R. FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007

26 RELATED PARTY DISCLOSURES

J S R Farms Limited is controlled by the Executors of J S Rymer (deceased) and T S Rymer

The group has taken advantage of the exemption under FRS 8 from the requirement to disclose details of transactions with subsidiaries

At the period end the following balances were due to/(from) the group in respect of entities which are either direct or indirect joint ventures of J S R Farms Limited

	2007 £'000	2006 £'000
Beef Improvement Grouping Limited	38	33
JSR Clover Limited	84	63

Porkwell Limited is held under the control of the Executors of J S Rymer (deceased) The Executors of J S Rymer (deceased) and T S Rymer are partners in the JSR Partnership

At the period end the amounts detailed below were due (from)/to the group as follows

	2007 £'000	2006 £'000
JSR Partnership	(2)	6
Porkwell Limited	(294)	(192)

During the period the group entered into the following transactions with related parties

	2007 £'000	2006 £'000
Sales	142	85
Purchases	371	550
Administrative costs	161	132

J. S. R. FARMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JULY 2006 TO 29 JUNE 2007**

27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2007 £'000	2006 £'000
Profit for the financial period	2,574	1,865
Dividends	<u>(136)</u>	<u>(136)</u>
	2,438	1,729
Other recognised gains and losses relating to the period (net)	<u>500</u>	<u>(20)</u>
Net addition to shareholders' funds	2,938	1,709
Opening shareholders' funds	<u>7,910</u>	<u>6,201</u>
Closing shareholders' funds	<u>10,848</u>	<u>7,910</u>

Company

	2007 £'000	2006 £'000
Profit for the financial period	1,985	1,229
Dividends	<u>(136)</u>	<u>(136)</u>
	1,849	1,093
Net addition to shareholders' funds	1,849	1,093
Opening shareholders' funds	<u>8,199</u>	<u>7,106</u>
Closing shareholders' funds	<u>10,048</u>	<u>8,199</u>

28 COMPARATIVES

The comparatives are in respect of the period 25 June 2005 to 30 June 2006