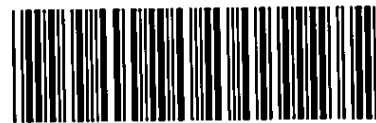


**NOBLE FOODS LIMITED**

**Consolidated Report and Financial Statements**

**30 September 2008**

THURSDAY



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COMPANIES HOUSE

# **NOBLE FOODS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# **NOBLE FOODS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P D Dean  
P Thornton  
M D Stott

#### **SECRETARY**

M D Stott

#### **REGISTERED OFFICE**

Bridgeway House  
Icknield Way  
Tring  
Hertfordshire  
HP23 4JX

#### **BANKERS**

Barclays Bank plc  
Aylesbury and Wendover Business Centre  
PO Box No. 70  
Market Square  
Aylesbury  
Buckinghamshire  
HP20 1TT

GE Commercial Finance Ltd  
Enterprise House  
Bancroft Road  
Reigate  
Surrey  
RH2 7RT

#### **SOLICITORS**

emw Law LLP  
Seebeck House,  
1 Seebeck Place,  
Knowhill,  
Milton Keynes  
Buckinghamshire MK5 8FR

#### **AUDITORS**

Deloitte LLP  
Abbots House  
Abbey Street  
Reading  
RG1 3BD

# **NOBLE FOODS LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 2008.

### **PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The principal activities of the group are the production and sale of shell eggs, pasteurised liquid egg and egg based products, animal feeds, poultry meat and desserts, predominantly in the UK.

During the year the group acquired the trade and assets of Serious Desserts Limited and disposed of Bulbourne Insurance Services Limited.

Noble Foods acquired the Clifford Kent Holdings Limited ("CKHL") group of companies in June 2006. The fair value of the total consideration was £26.8m. Subsequently the Competition Commission ordered divestment of all companies within the CKHL group, notably Stonegate Farmers Limited, with the exception of the top holding company. These were sold on 25 July 2008 for £2.0m, resulting in a significant loss against the fair value of the business.

At the date of this report, the directors are not aware of any likely major changes in the group's activities in the next year.

For the period ending 30 September 2008, the group reports a pre-tax profit of £18,605k (16 months ended September 2007: loss £2,487k) on turnover of £467,808k (16 months ended September 2007 £444,320k). Post-tax earnings of £13,040k represent a return of 2.8% on sales.

The egg industry is facing changes in legislation regarding the welfare of laying hens and its impact on the production system for eggs laid by hens housed in cages/colonies. The implementation date for this legislation is currently set at 1 January 2012 and consequently we have assessed Noble Foods' future requirements for colony egg. In order to ensure that our retail customers are able to obtain sufficient supplies of colony egg, our shell egg business and certain of our contract producers have embarked upon major capital expenditure programmes which will see an investment in excess of £95m to meet demand for colony egg.

There has been much recent focus in the media around adequacy of banking facilities for companies in general. The group has adequate bank facilities in place and is projected to continue to operate with significant headroom and within the banking covenants. Despite the uncertain general economic outlook, the directors are very confident that the group is well placed and has adequate resources for its future development.

The principal risks and uncertainties facing the group, and the directors' approach to managing them, are as follows:

- General competitive pressure is inevitably a risk for all of the group's activities, which could theoretically result in losing sales to competitors and/or erosion of margin. The directors endeavour to manage this risk by ensuring that customers' expectations are met and in this regard we have an excellent track record on service, product quality and category development
- Avian influenza outbreaks, if widespread, could be a risk to the group's ability to supply eggs to its customers. The directors follow DEFRA guidance and have bio-security measures in place to reduce the risk.

The group recognises the importance of its environmental responsibilities. It employs dedicated resource to ensure compliance with all relevant legislation as well as identifying and implementing new projects. The business is actively pursuing a number of "green" initiatives, including use of wind turbines and conversion of commercial vehicles to LPG, and is also exploring methods to generate energy and/or value from waste materials.

# **NOBLE FOODS LIMITED**

## **DIRECTORS' REPORT**

### **PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS (CONTINUED)**

An increasingly competitive market place coupled with the imminent industry legislative changes indicate a challenging year ahead, albeit one in which the directors feel the group is well equipped to continue with its recent positive progress. The action we are taking to improve supply chain efficiencies by more closely aligning cage and organic egg supply with demand, together with the ongoing levels of investment in automation at our Thornton and North Scarle packing centres, is resulting in reduced operating costs.

The group is investing significantly in brand development as evidenced by the recent launch and national TV campaign for the Happy Egg Co. free range brand for which initial sales are encouraging. Together with our ongoing commitment to category development we are looking to drive volume growth in the shell egg market by increasing both weight and frequency of purchase.

With clear plans now in place to further improve performance within the core business we will continue to review the possibilities for further diversifying group activities outside of the egg category.

The directors would like to extend their thanks to all colleagues for their hard work, dedication and achievements which are much appreciated and are contributing greatly to the improving performance of the group.

Our continued focus remains the delivery of consistent and sustainable long term earnings growth which will enable the business to fund the necessary future investment for the benefit of all stakeholders.

### **RESULTS AND DIVIDENDS**

The results for the group are detailed on page 7. The profit on ordinary activities before taxation amounted to £18,605,000 (16 months ended September 2007 : loss of £2,487,000).

The directors do not recommend the payment of a dividend (2007: £Nil).

### **EMPLOYMENT POLICIES**

Details of employee numbers can be found at note 4 to the financial statements.

The company consults and discusses with employees, through unions, team briefings and consultative committees, on matters likely to affect employees' interests.

Information on matters of concern to employees is given through notices, meetings and reports, including information to help employees achieve a common awareness of the factors affecting the performance of the company.

Health and safety policies are in place at all sites in order to provide a safe working environment for all employees.

The policy of the company for the employment of disabled persons is to provide equal opportunities with other employees to train for and attain any position in the company, having regard to the maintenance of a safe working environment and the constraints of their disabilities.

### **DIRECTORS**

The directors who served during the period and subsequently were:

P D Dean

M R J Kent (resigned 31 March 2008)

M D Stott

P Thornton (appointed 14 July 2008)

# NOBLE FOODS LIMITED

## DIRECTORS' REPORT

### AUDITORS

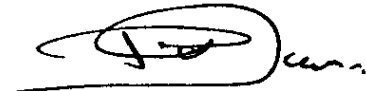
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have expressed their willingness to continue in office as auditors of the company. A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board 8<sup>th</sup> July 2009



P D Dean

Director

**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 and loss of the group 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;
- state whether applicable UK accounting standards have been followed, and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOBLE FOODS LIMITED**

We have audited the group and individual company financial statements (the "financial statements") of Noble Foods Limited for the year ended 30 September 2008 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the reconciliation of movement in consolidated shareholders' funds, the statement of movements on reserves, the balance sheets, the consolidated cash flow statement and the related notes 1 to 25. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 30 September 2008 and of the group's profit for the year ended 30 September 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**Deloitte LLP**

Chartered Accountants  
and Registered Auditors

Reading, UK

21 July 2009



# NOBLE FOODS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 30 September 2008

	Note	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
<b>TURNOVER</b>	2	467,808	444,320
Cost of sales		(407,177)	(397,033)
Gross profit		60,631	47,287
Distribution costs		(25,732)	(27,513)
Administrative expenses		(14,907)	(19,468)
<b>OPERATING PROFIT</b>	3	19,992	306
Income from share in group undertakings		937	-
Interest received and similar income	5	1,438	559
Interest payable and similar charges	5	(3,762)	(3,352)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		18,605	(2,487)
Tax on profit/(loss) on ordinary activities	6	(5,565)	(3,560)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>		13,040	(6,047)

The activities in the current and prior periods relate to continuing operations.

# NOBLE FOODS LIMITED

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 30 September 2008

	Note	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
<b>Profit/(loss) attributable to the members for the financial period</b>		13,040	(6,047)
Actuarial (loss)/gain on defined benefit pension scheme	21	(1,390)	3,027
Movement on deferred tax relating to the pension scheme		389	(892)
<b>Total recognised gains and losses relating to the period</b>		<u>12,039</u>	<u>(3,912)</u>

## CONSOLIDATED STATEMENT OF MOVEMENT IN SHAREHOLDERS' FUNDS Year ended 30 September 2008

	Note	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
<b>Profit/(loss) for the financial period</b>		13,040	(6,047)
Actuarial (loss)/gain on defined benefit pension scheme	21	(1,390)	3,027
Movement on deferred tax relating to the pension scheme		389	(892)
Shares issued		-	26,839
<b>Net increase in shareholders' funds</b>		<u>12,039</u>	<u>22,927</u>
Opening shareholders' funds		<u>22,927</u>	-
<b>Closing shareholders' funds</b>		<u>34,966</u>	<u>22,927</u>

# NOBLE FOODS LIMITED

## STATEMENT OF MOVEMENT ON RESERVES Year ended 30 September 2008

<b>Group</b>	<b>Merger reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
At 1 October 2007	26,839	(3,912)	22,927
Profit retained for the year	-	13,040	13,040
Actuarial loss net of deferred tax relating to pension scheme	-	(1,001)	(1,001)
At 30 September 2008	<u>26,839</u>	<u>8,127</u>	<u>34,966</u>

<b>Company</b>	<b>Profit and loss account £'000</b>
At 1 October 2007	(2,762)
Profit retained for the year	<u>20,779</u>
At 30 September 2008	<u>18,017</u>

# NOBLE FOODS LIMITED

## CONSOLIDATED BALANCE SHEET 30 September 2008

	Note	30 September 2008 £'000	30 September 2007 £'000
<b>FIXED ASSETS</b>			
Goodwill	8	740	-
Tangible assets	9	64,947	60,170
		<u>65,687</u>	<u>60,170</u>
<b>CURRENT ASSETS</b>			
Stocks	11	21,193	16,047
Debtors	12	64,386	69,675
Cash at bank and in hand		17	7,275
		<u>85,596</u>	<u>92,997</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(77,199)</u>	<u>(67,019)</u>
<b>NET CURRENT ASSETS</b>		<u>8,397</u>	<u>25,978</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		74,084	86,148
<b>CREDITORS: amounts falling due after more than one year</b>	14	(36,656)	(57,927)
Provisions for liabilities	17	<u>(2,913)</u>	<u>(6,194)</u>
<b>NET ASSETS EXCLUDING PENSION SURPLUS</b>		34,515	22,027
Pension surplus	21	<u>451</u>	<u>900</u>
<b>NET ASSETS INCLUDING PENSION SURPLUS</b>		<u>34,966</u>	<u>22,927</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Merger reserve		26,839	26,839
Profit and loss account		8,127	(3,912)
<b>SHAREHOLDERS' FUNDS</b>		<u>34,966</u>	<u>22,927</u>

These financial statements were approved by the Board of Directors on 8<sup>th</sup> July 2009

Signed on behalf of the Board of Directors



P D Dean  
Director

# NOBLE FOODS LIMITED

## COMPANY BALANCE SHEET 30 September 2008

	Note	30 September 2008 £'000	30 September 2007 £'000
<b>FIXED ASSETS</b>			
Investments	10	38,814	38,814
<b>CURRENT ASSETS</b>			
Debtors	12	17,309	24,206
<b>CREDITORS: amounts falling due within one year</b>	13	(1,612)	(8,031)
<b>NET CURRENT ASSETS</b>		15,697	16,175
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		54,511	54,989
<b>CREDITORS: amounts falling due after more than one year</b>	14	(36,494)	(57,751)
<b>NET ASSETS/(LIABILITIES)</b>		18,017	(2,762)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Profit and loss account		18,017	(2,762)
<b>SHAREHOLDERS' FUNDS/(DEFICIT)</b>		18,017	(2,762)

These financial statements were approved by the Board of Directors on 8<sup>th</sup> July 2009

Signed on behalf of the Board of Directors



P D Dean

Director

# NOBLE FOODS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT Year ended 30 September 2008

	No te	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
<b>Cash inflow/(outflow) from operating activities</b>	22	27,973	(20,313)
<b>Returns on investments and servicing of finance</b>			
Interest received		1,438	559
Interest paid		(3,712)	(3,302)
Finance lease interest paid		(50)	(50)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(2,324)	(2,793)
<b>Taxation paid</b>		(2,296)	(571)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(10,724)	(14,622)
Receipts from sales of tangible fixed assets		861	3,708
<b>Net cash outflow from capital expenditure and financial investment</b>		(9,863)	(10,914)
<b>Acquisition and disposals</b>			
Purchase of subsidiary undertaking		-	(20,117)
Sale of subsidiary undertaking		500	-
Net debt acquired with acquisition of subsidiary		-	(11,769)
<b>Net cash inflow/(outflow) from acquisitions and disposals</b>		500	(31,886)
<b>Net cash inflow/(outflow) before financing</b>		13,990	(66,477)
<b>Financing</b>			
Net movement in redeemable shares		(1,230)	-
Net movement on short term borrowings		206	29,604
Net movement in long term borrowings		(20,027)	44,751
Capital element of finance lease payments		(197)	(603)
<b>Net cash (outflow)/inflow from financing</b>		(21,248)	73,752
<b>(Decrease)/Increase in cash in the period</b>	23	(7,258)	7,275

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2008**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in both the current and prior period.

**Accounting convention**

The financial statements are prepared under the historical cost convention and on a going concern basis after due consideration of the principal risks and uncertainties as disclosed in the report of the directors, and in accordance with the Companies Act 1985.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September each year.

**Investments**

Investments are stated at cost less provision for impairment.

**Intangible fixed assets**

For the acquisition of a business, purchased goodwill arising is capitalised in the year in which it arises and amortised over its useful life up to a maximum of 20 years less any provision for impairment.

**Tangible fixed assets**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Freehold land is not depreciated. Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives. The rates of depreciation are as follows:

Freehold buildings	2-10% per annum
Plant and machinery, fixtures and fittings	10-25% per annum

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is assessed on a first in first out basis and in the case of certain processed or partly processed stocks includes attributable overheads. The accumulated costs relating to livestock are included in stocks and spread over the laying lives of the flocks.

**Leases and hire purchase contracts**

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the contract in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

**Bank borrowings**

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2008**

**1. ACCOUNTING POLICIES (continued)**

**Taxation**

The tax expense represents the sum of the corporation tax currently payable and the deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items which are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Pension costs**

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**2. TURNOVER**

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. The turnover arises principally in the United Kingdom, and is attributable to the group's principal activity. The directors are of the opinion that the group's activities are not separable and hence no results are presented for separate business segments.



# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 3. OPERATING PROFIT

Operating profit is arrived at after  
charging/(crediting):

	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
Depreciation - leased assets	197	630
- owned assets	5,210	6,024
Profit on disposal of fixed assets	(321)	(509)
Auditor's remuneration		
- fees payable to the company's auditors for the audit of the company's accounts	20	27
Other services pursuant to legislation		
- the audit of the company's subsidiaries	125	119
- tax services	208	90
Rentals under operating leases		
- hire of plant and machinery	969	1,354
- other operating leases	3,522	3,470

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Group	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
<b>Directors' emoluments</b>		
Emoluments	1,270	1,907
Pension contributions	-	76
	<u>1,270</u>	<u>1,983</u>
Remuneration of the highest paid director (excluding pension contributions)	<u>626</u>	<u>618</u>
	<b>2008 Number</b>	<b>2007 Number</b>
<b>Average number of persons employed</b>		
Production	1,393	1,513
Sales and distribution	271	241
Administration	95	102
	<u>1,759</u>	<u>1,856</u>
	<b>Year ended 30 September 2008 £'000</b>	<b>From incorpor- ation to 30 September 2007 £'000</b>
<b>Staff costs during the period</b>		
Wages and salaries	37,636	36,272
Social security costs	3,533	3,299
Pension costs	1,495	1,099
	<u>42,664</u>	<u>40,670</u>

The company has no employees.

The directors of the company are remunerated through Deans Foods Limited. The directors received no remuneration for their services to the company and it is not practical to split the costs of services provided to Noble Foods Limited and other companies within the group.

None of the directors (2007: none) are members of the defined benefit pension scheme.

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 5. INTEREST

	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
a) <b>Investment income</b>		
Bank interest	1,030	358
Net credit on pension scheme	408	201
	<u>1,438</u>	<u>559</u>
b) <b>Interest payable and similar charges</b>		
Bank overdrafts and loans	2,385	1,851
Finance lease interest	50	50
Invoice financing	1,327	1,451
	<u>3,762</u>	<u>3,352</u>

### 6. TAX CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
a) <b>Analysis of charge in the period</b>		
United Kingdom corporation tax charge for the period	5,748	-
Adjustment in respect of previous periods	(1,237)	-
	<u>4,511</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(90)	706
Change in industrial building allowance rate	-	2,886
Effect of change in tax rate	-	(32)
Adjustment in respect of prior periods	929	-
Movement in respect of FRS17	215	-
	<u>1,054</u>	<u>3,560</u>
Total deferred tax (note 17)		
	<u>5,565</u>	<u>3,560</u>

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2008**

**6. TAX CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (Continued)**

**b) Factors affecting the corporation tax charge for the period**

The standard rate of tax for the period on the UK standard rate of corporation tax, is 29% (2007: 30%). The actual tax charge for the period is different from that resulting from applying the standard rate for the reasons set out in the following reconciliation:

	Year ended 30 September 2008 £'000	From incorpor- ation to 30 September 2007 £'000
Profit/(loss) on ordinary activities before tax	18,605	(2,487)
Tax on profit/(loss) on ordinary activities at standard rate	5,395	(746)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	637	802
Differences between capital allowances and depreciation	(364)	(275)
Movement in short-term timing differences	(222)	36
Taxable remittance from overseas subsidiary	825	53
Unremitted earnings of foreign subsidiary	-	(762)
Non taxable income arising in the period	(280)	(106)
Utilisation of losses brought forward	(243)	-
Losses	-	998
Adjustment in respect of prior periods	(1,237)	-
<b>Current tax charge for the period (note 6a)</b>	<b>4,511</b>	<b>-</b>

**c) Factors that may affect the future tax charge**

Deferred tax has not been provided on revaluations of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £7,896,776 (2007: £8,293,000).

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £2,409,527 (2007: £2,351,000).

**7. RESULT 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 accounts. The parent company's profit after tax and dividends for the financial period amounted to £20,779,000.

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 8. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000
Cost and net book value	
At 1 October 2007	-
Additions	740
	<hr/>
At 30 September 2008	740
	<hr/>

On 18 July 2008 the group acquired the trade and assets of Serious Desserts Limited for consideration of £2,640,000. During the year ended 31 December 2007 Serious Desserts Limited recorded a loss after taxation of £884,000. During the period from 1 January 2008 to 18 July 2008 Serious Desserts generated a loss after taxation of £640,000.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the company:

	Book value £'000	Fair value adjustment £'000	Fair value to company £'000
<b>Fixed assets</b>			
Intangible assets	100	-	100
Tangible	1,578	-	1,578
<b>Current assets</b>			
Stocks	123	-	123
Debtors	315	(97)	218
<b>Creditors</b>			
Trade creditors	(119)	-	(119)
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>	1,997	(97)	1,900
	<hr/>	<hr/>	<hr/>
<b>Goodwill</b>			740
			<hr/>
<b>Consideration payable</b>			2,640
			<hr/>
<b>Satisfied by cash</b>			2,640
			<hr/>

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS Year ended 30 September 2008

### 9. TANGIBLE FIXED ASSETS

Group	Land and buildings £'000	Plant, machinery, fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 October 2007	40,797	25,987	66,784
Additions	1,114	9,610	10,724
Disposals	(3)	(762)	(765)
At 30 September 2008	41,908	34,835	76,743
<b>Accumulated depreciation</b>			
At 1 October 2007	1,832	4,782	6,614
Charge for the year	1,646	3,761	5,407
Disposals	(3)	(222)	(225)
At 30 September 2008	3,475	8,321	11,796
<b>Net book value</b>			
At 30 September 2008	38,433	26,514	64,947
<b>Net book value</b>			
At 30 September 2007	38,965	21,205	60,170

Included in the total for land and buildings is an amount of £5,034,000 (2007: £5,034,000) relating to land that is not depreciated.

The net book value of plant and machinery includes £194,231 (2007: £391,789) in respect of assets held under finance leases and hire purchase contracts.

The company has no tangible fixed assets.

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2008**

**10. INVESTMENTS**

<b>Company</b>	<b>Shares in subsidiary undertakings £'000</b>
<b>Cost</b>	
At 1 October 2007	38,814
Additions	3,303
Disposals	(3,303)
At 30 September 2008	38,814
<b>Provision for impairment</b>	
At 1 October 2007	-
Charge for the year	2,803
Disposals	(2,803)
At 30 September 2008	-
<b>Net book value</b>	
At 1 October 2007 and 30 September 2008	38,814

At 30 September 2008 the group had the following investments:

<b>Company</b>	<b>Nature of Business</b>	<b>Country of operation/ Incorporation</b>	<b>Proportion held %</b>
Daylay Foods Limited	Dormant	England & Wales	100
Deans Farm Limited	Dormant	England & Wales	100
Deans Food Group Limited *	Intermediate holding company	England & Wales	100
Deans Foods Limited	Egg production, processing and marketing	England & Wales	100
Dell Foods (Chilled Products) Limited	Dormant	England & Wales	100
Egg Farms Limited	Dormant	England & Wales	100
Eggworld Limited	Dormant	England & Wales	100
Goldenlay Limited	Dormant	England & Wales	100
Goldenlay Foods Limited	Dormant	England & Wales	100
H D Hardie & Company Limited	Dormant	Scotland	100
Noble CKH Limited*	Intermediate holding company	England & Wales	100
Noble Food Group Limited	Dormant	England & Wales	100
Serious Desserts Limited	Dormant	England & Wales	100

\* Held directly by Noble Foods Limited.

Bulbourne Insurance Services Limited was acquired from Deans Food Group Limited during the year and subsequently disposed of on 31 July 2008.

All subsidiary companies of Noble CKH Limited were disposed of on 25 July 2008 as a result of a divestment order following a Competition Commission inquiry. As a result these investments have never been consolidated and were held on the Balance Sheet as an investment held for resale. The non-trading intermediate holding company has been retained.

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 11. STOCKS

	Group	
	2008	2007
	£'000	£'000
Livestock	7,463	5,702
Raw materials and consumables	7,116	5,872
Finished goods	6,614	4,473
	<u>21,193</u>	<u>16,047</u>

The company has no stocks.

### 12. DEBTORS

	Group	Company	Group	Company
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Trade debtors	55,552	-	40,087	-
Amounts due from Group Companies	-	12,776	25,191	24,206
Corporation tax recoverable	-	-	318	-
VAT recoverable	1,728	-	1,448	-
Other debtors	5,541	4,533	280	-
Prepayments and accrued income	1,565	-	2,351	-
	<u>64,386</u>	<u>17,309</u>	<u>69,675</u>	<u>24,206</u>

All amounts due to the group fall due within one year.

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group	Company
	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Bank loans and overdraft (note 15)	5,345	1,227	5,855	2,332
Other loans (note 15)	24,465	-	23,749	5,697
Obligations under finance leases and hire purchase agreements (note 16)	34	-	217	-
Trade creditors	40,661	-	30,579	-
Corporation tax	1,945	35	-	-
Other taxation and social security	1,285	-	1,424	-
Other creditors	3,464	350	5,195	2
	<u>77,199</u>	<u>1,612</u>	<u>67,019</u>	<u>8,031</u>



NOTES TO THE ACCOUNTS

Year ended 30 September 2008

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Bank loans (note 15)	24,724	24,724	44,751	44,751
Obligations under finance leases and hire purchase agreements (note 16)	162	-	176	-
Redeemable shares (note 18)	11,770	11,770	13,000	13,000
	<u>36,656</u>	<u>36,494</u>	<u>57,927</u>	<u>57,751</u>

15. BANK LOANS AND OVERDRAFTS

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Bank loans and overdrafts	30,069	25,951	50,606	47,083
Other loans	24,465	-	23,749	5,697
	<u>54,534</u>	<u>25,951</u>	<u>74,355</u>	<u>52,780</u>
<b>Analysed in the balance sheet as:</b>				
Within one year	29,810	1,227	29,604	8,029
After more than one year	24,724	24,724	44,751	44,751
	<u>54,534</u>	<u>25,951</u>	<u>74,355</u>	<u>52,780</u>
<b>Analysis of bank loan and overdraft repayments:</b>				
Within one year	5,345	1,227	5,855	2,332
Between one and two years	1,227	1,227	2,332	2,332
Between two and five years	23,497	23,497	6,996	6,996
More than five years	-	-	35,423	35,423
	<u>30,069</u>	<u>25,951</u>	<u>50,606</u>	<u>47,083</u>
<b>Analysis of other loan repayments:</b>				
Within one year	24,465	-	23,749	5,697

Other loans comprise £24,465,430 (2007: £23,749) due under an invoice financing arrangement secured against the trade debtors of the group. Under the invoice financing arrangement the group has borrowing facilities of up to 90% of agreed debts.

The bank overdraft is secured by a fixed charge on the group's debts and a floating charge on the undertaking and assets of the group.

Interest on the bank loan and invoice discounting facility was charged at 0.75% above Bank of England base rate.

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2008**

**16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND FINANCE LEASE AGREEMENTS**

	2008 £'000	Group 2007 £'000
<b>Analysis of repayments:</b>		
In one year or less	34	217
In more than one year but not more than two years	34	34
In more than two years but not more than five years	102	171
In more than five years	83	48
	<hr/> 253	<hr/> 470
Less future finance charges	(57)	(77)
	<hr/> 196	<hr/> 393

All amounts due under hire purchase and finance lease agreements are secured by the related assets.

**17. PROVISIONS FOR LIABILITIES**

Group	Deferred taxation £'000	Onerous lease £'000	IBNR Provision £'000	Total £'000
At 1 October 2007	1,149	1,137	3,908	6,194
Disposal of subsidiary undertaking	-	-	(3,908)	(3,908)
Utilised	-	(212)	-	(212)
Charge to the profit and loss account	839	-	-	839
	<hr/> 1,988	<hr/> 925	<hr/> -	<hr/> 2,913

The onerous lease provision is in respect of properties no longer occupied. The payment dates of the remaining term of the lease are between 2008 and 2012.

The IBNR provisions related to amounts provided on actuarial principles within the captive insurance company. The insurance company was disposed of during the year.

**Deferred taxation**

The deferred taxation balance consists of the following amounts:

	2008 £'000	2007 £'000
Differences between capital allowances and depreciation	1,988	904
Other short term timing differences	-	(353)
Losses	-	(78)
Unremitted earnings from foreign subsidiary	-	676
	<hr/> 1,988	<hr/> 1,149

A deferred taxation asset has been recognised in relation to short term timing differences and losses as there is sufficient evidence that the asset will be realised in future years.

**Company**

The company has no provided or unprovided deferred taxation.

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 18. CALLED UP SHARE CAPITAL

	2008 £	2007 £
<b>Shares classified as capital</b>		
<b>Authorised, called up, allotted and fully paid</b>		
2,000 'A' ordinary shares of 10 pence each	200	200
2,000 'B' ordinary shares of 10 pence each	200	200
	<u>400</u>	<u>400</u>

The 'A' and 'B' ordinary shares confer the holders the same rights.

#### Shares classified as debt

	2008 £'000	2007 £'000
<b>Authorised</b>		
<b>Redeemable preference share capital</b>		
13,000,000 redeemable preference shares of £1 each	<u>13,000</u>	<u>13,000</u>
<b>Issued</b>		
696,675 (2007: 13,000,000) redeemable preference shares of £1 each	697	13,000
<b>Authorised, called up, allotted and fully paid</b>		
11,073,000 Non-voting redeemable 'C' ordinary shares of £1 each	<u>11,073</u>	<u>-</u>
<b>Total</b>	<u>11,770</u>	<u>13,000</u>

The preference shares do not entitle the share holder to any voting rights. As at the Balance Sheet date the preference shares were due to be redeemed between June 2009 and June 2012.

On 28 March 2008 the terms of the preference shares held by P D Dean were altered and subsequently £12,303,325 of the £1 preference shares were redeemed at par.

11,073,000 non-voting redeemable 'C' ordinary shares were issued to P D Dean during the year.

### 19. FINANCIAL COMMITMENTS

At 30 September 2008, the group was committed to making the following payments during the next year in respect of operating leases:

	30 September 2008		30 September 2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
<b>Leases which expire:</b>				
Within one year	228	150	205	139
Within one to two years	25	418	25	540
Within two to five years	321	1,919	322	1,850
After more than five years	94	-	94	-
	<u>668</u>	<u>2,487</u>	<u>646</u>	<u>2,529</u>

At 30 September 2008, the company has committed to guarantees in respect of facilities with other group companies of £21,575,000.

The company has no annual commitments in respect of operating leases.

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2008**

**20. CAPITAL COMMITMENTS**

At 30 September 2008, the group had the following capital commitments:

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Contracted but not provided	3,438	266

The company has no capital commitments.

**21. PENSION SCHEMES**

**FRS 17 Accounting for Pension Costs**

Certain employees of the group participated in the defined benefit pension scheme operated by Deans Foods Limited. Deans Foods Limited operates a funded defined benefit pension scheme (closed to new members) for all eligible employees and a defined contribution scheme for a limited number of employees. Contributions made to the defined contribution pension scheme during the year were £218,000 (2007: £100,000). Contributions of £927,000 (2007: £999,000) were made by Deans Foods Limited during the period. An estimate of the plan's funding position was carried out as at 30 September 2008 by a qualified independent actuary. The estimate was based on the last full valuation as at 05 April 2006. The major assumptions used by the actuary were:

	<b>30-Sep-08</b>	<b>30-Sep-07</b>	<b>30-Sep-06</b>
Rate of increase in salaries	4.05%	3.95%	3.50%
Rate of increase in pensions in payment – Pre April 2005 Pension	3.30%	3.20%	2.75%
Rate of increase in pensions in payment – Post April 2005 Pension	2.50%	2.50%	2.25%
Discount rate	7.00%	5.80%	5.10%
Inflation assumption	3.30%	3.20%	2.75%

The assets of the Plan and expected return on assets were:

	<b>Value at 30/09/2008 £'000</b>	<b>Long term rate of return expected at 30/09/2008</b>	<b>Value at 30/09/2007 £'000</b>	<b>Long term rate of return expected at 30/09/2007</b>	<b>Value at 30/09/2006 £'000</b>	<b>Long term rate of return expected at 30/09/2006</b>
Equities	15,015	7.50%	19,375	7.50%	16,370	7.00%
Bonds	5,554	5.80%	5,514	5.80%	5,285	5.10%
Cash	932	5.75%	524	5.75%	152	4.25%
	21,501		25,413		21,807	

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2008**

**21. PENSION SCHEMES (Continued)**

The following amounts were measured in accordance with the requirements of FRS 17:

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Total market value of assets	21,501	25,413	21,807
Present value of Scheme Liabilities	20,874	24,163	24,061
Surplus/(deficit) in the Scheme	627	1,250	(2,254)
Related deferred tax (liability)/asset	(176)	(350)	676
Net pension Surplus / (Deficit)	451	900	(1,578)

The following amounts have been recognised in the performance statements under the requirements of FRS 17:

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
<b>Operating charge</b>		
Current service cost	568	881
Curtailment gain	-	(158)
	568	723
<b>Other finance income</b>		
Expected return on pension Plan assets	1,816	1,433
Interest on pension Plan liabilities	(1,408)	(1,232)
Net return	408	201

<b>Statement of total recognised gains &amp; losses (STRGL)</b>		
Actual return less expected return on pension Plan assets	(6,106)	1,856
Experience gains and losses arising on the Plan's liabilities	305	(21)
Changes in assumptions underlying the value of Plan's liabilities	4,411	1,192
Actuarial (loss)/gain recognised in STRGL	(1,390)	3,027
<b>Movement in asset during the period</b>		
Surplus/(deficit) in the Scheme at the beginning of the period	1,250	(2,254)
Current service cost	(568)	(723)
Contributions	927	999
Other finance income	408	201
Actuarial (loss)/gain in STRGL	(1,390)	3,027
Surplus in the Scheme at the end of the period	627	1,250

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2008**

**21. PENSION SCHEMES (Continued)**

The group is currently contributing 10.2% of Pensionable Earnings to the Plan.

The group also paid an additional lump sum of £250,000 during the period.

**Details of experience gains and losses of the Deans Foods Limited defined benefit pension scheme to 30 September 2008**

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Actual less expected returns on assets:				
Amount (£'000)	(6,106)	1,856	430	2,433
Percentage of Plan assets	(28.4%)	7.3%	2.0%	12.8%
Experience gains & losses on liabilities:				
Amount (£'000)	305	(21)	(46)	(51)
Percentage of Plan liabilities	1.5%	0.0%	(0.2%)	(0.2%)
Total amount recognised in STRGL				
Amount (£'000)	(1,390)	3,027	(1,068)	182
Percentage of Plan liabilities	(6.7%)	12.5%	(4.4%)	0.9%

**22. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	19,992	306
Depreciation	5,407	6,654
Profit on disposal of fixed assets	(321)	(509)
Increase in stocks	(5,146)	(1,397)
Decrease/(Increase) in debtors	5,920	(28,704)
Increase in creditors	2,121	3,337
<b>Net cash inflow/(outflow) from operating activities</b>	<b>27,973</b>	<b>(20,313)</b>

# NOBLE FOODS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 30 September 2008

### 23. ANALYSIS OF NET DEBT

	At 30 Sept 2007 £'000	Cash flow £'000	At 30 Sept 2008 £'000
Cash at bank and in hand	7,275	(7,258)	17
Debt due within one year	(29,604)	(206)	(29,810)
Debt due after more than one year	(44,751)	20,027	(24,724)
Finance leases	(393)	197	(196)
Redeemable shares	(13,000)	1,230	(11,770)
	<u>(80,473)</u>	<u>13,990</u>	<u>(66,483)</u>

### 24. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008 £'000	2007 £'000
(Decrease)/Increase in cash in the period	(7,258)	7,275
Cash flow from changes in debt and lease financing	21,248	(61,983)
Change in net debt arising from cash flows	13,990	(54,708)
Cash acquired with subsidiary	-	5,744
Debt due within one year acquired with subsidiary	-	(17,513)
Finance leases acquired with subsidiary	-	(996)
Preference shares issued on acquisition of subsidiary	-	(13,000)
Movement in net debt in the period	13,990	(80,473)
Opening net debt	(80,473)	-
Closing net debt	<u>(66,483)</u>	<u>(80,473)</u>

### 25. RELATED PARTY DISCLOSURES

#### Controlling party

In accordance with Financial Reporting Standard No.8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of, the Noble Foods group have not been disclosed in these financial statements.

The voting share capital of Noble Foods Limited is owned equally by P D Dean and M R J Kent.

On 31 July 2008 Bulbourne Insurance Company was sold to P D Dean and M R J Kent for an amount of £500,000.

Gubblecote Properties Ltd provides the services of P D Dean and the amount is included in directors' emoluments. In addition it provided professional services of £113,800 (2007: £Nil) and rented a number of properties to the Noble Foods group. Total rentals during the period were £105,000 (2007: £148,100).

Balerno International Ltd ("Balerno") provides consultancy and advisory services including those of M R J Kent to the Noble Foods group. Balerno charged £1,400,612 (2007: £Nil) during the year for services and expenses.

At the balance sheet date there were unsecured shareholder loans of £1,250,000 (P D Dean) and £1,107,350 (M R J Kent). Both loans have subsequently been fully repaid.