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**PEN MILL FEEDS LIMITED**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
27 SEPTEMBER 2008

**PEN MILL FEEDS LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 27 September 2008

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|                    |   |
|--------------------|---|
| Company no:        | 02691453  |
| Registered office: | Babylon View<br>Pen Mill Trading Estate<br>Yeovil<br>BA21 5HR   |
| Directors:         | A W Duffield<br>D E Hills   |
| Secretary:         | D E Hills   |
| Auditor:           | Grant Thornton UK LLP<br>Registered Auditors<br>Chartered Accountants<br>Kingfisher House<br>1 Gilders Way<br>St James Place<br>Norwich<br>Norfolk<br>NR3 1UB |

**PEN MILL FEEDS LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 27 September 2008**

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# **PEN MILL FEEDS LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report and the audited financial statements for the company for the period from 30 September 2007 to 27 September 2008 (the "year").

### **Principal activity**

The principal activity of the company in the year under review was that of the manufacture and sale of animal feedstuffs.

### **Business and trading review**

Turnover increased by some £2,852,000 from £8,651,000 to £11,503,000 for the year. The profit on ordinary activities before taxation was £282,000 (2007: £263,000), and the profit for the year after taxation amounted to £212,000 (2007: £225,000). The directors propose no dividend on the ordinary shares. The profit transferred to reserves for the year was £212,000 (2007: £225,000).

Raw material prices carried on rising from last year, reaching new highs before falling back in the latter part of the year. All commodity prices continue to be highly volatile especially with the fall of the Sterling against the Dollar and Euro. Within this environment, the company has been able to take advantage of opportunities within the market to remain competitive.

### **Principal risks and uncertainties**

The main risks and uncertainties facing the business continue to be centred around raw material prices due to the highly volatile market. The directors seek to minimise this risk by reducing the company's open exposure. Health and safety and quality control are also important factors for the company's operations.

### **Future developments**

The company seeks to maintain operating levels in a volatile price market.

### **Financial risk management objectives and policies**

In common with every other business, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level. In addition, levels of stock are also closely monitored to reduce the risk of slow moving stocks being held.

### **Key performance indicators**

The company uses a range of performance measures to monitor business performance. The key financial performance indicators are turnover and operating profit.

|                          | 2008   | 2007  |
|--------------------------|--------|-------|
| Turnover (£'000)         | 11,503 | 8,651 |
| Operating profit (£'000) | 310    | 328   |

All performance data is reported monthly to management and directors. Turnover has risen as a direct result of the increase in raw material prices. However, the cost of production increased in the same manner, with the company only able to pass on increased costs to its customers resulting in operating profit remaining at a similar level to the prior year.

### **Directors**

The directors during the year were:

A W Duffield  
D E Hills

# PEN MILL FEEDS LIMITED

## REPORT OF THE DIRECTORS

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### Directors' and officers' liability insurance

During the year the company maintained liability insurance for its directors and officers. This provision, which is a qualifying third party indemnity provision as defined by Section 309B of the Companies Act 1985, was in force throughout the year and is currently in force.

### Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

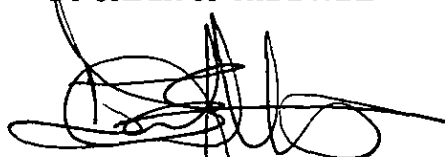
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



D E Hills  
Secretary

13 February 2009



# Grant Thornton

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF PEN MILL FEEDS LIMITED

We have audited the financial statements of Pen Mill Feeds Limited for the year ended 27 September 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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 member 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 member, 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 directors' report and the financial statements in accordance with United Kingdom law and 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 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 the report of the directors 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 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 company's affairs as at 27 September 2008 and of its profit for the year then ended;
- 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.

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS

NORWICH

13 February 2009.

## **PEN MILL FEEDS LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention.

#### **TURNOVER**

Turnover represents the total amount receivable (excluding value added tax) in the ordinary course of business for goods sold during the year, recognised at the point at which the company has earned the right to the consideration by fulfilling its obligation with respect to the sale.

#### **TANGIBLE FIXED ASSETS**

Depreciation of fixed assets is calculated so as to write off their cost evenly over their expected future economic lives. Estimates of economic lives vary according to the type of asset as follows:

Freehold land: not depreciated

Freehold buildings: 30 years

Plant and equipment (including office equipment and software): 4 to 25 years

Motor vehicles: 2 to 10 years

Assets in the course of construction: not depreciated

#### **STOCKS**

Stocks are valued at the lower of cost and net realisable value. Cost consists of direct costs and appropriate overheads.

#### **LEASES AND HIRE PURCHASE**

The cost of assets acquired on hire purchase and similar finance leases is capitalised and written off over the estimated useful life of the asset. The total finance charges are charged against profits so as to produce a constant periodic rate of charge on the outstanding obligation.

Operating leases are charged to the profit and loss account in the year in which the expense is incurred.

#### **FINANCIAL INSTRUMENTS**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

##### *Trade and other debtors*

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

##### *Cash and cash equivalents*

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand.

**CASH FLOW STATEMENT**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a UK parent company and its results are included in the consolidated financial statements of that company, which are publicly available.

**RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 to subsidiary undertakings 90 per cent or more of whose voting rights are controlled within the group, which permits them not to disclose transactions with other group companies qualifying as related parties.

**PENSION COSTS**

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they accrue. These contributions are invested separately from the company's assets.

**DEFERRED TAXATION**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date, except that deferred tax assets are only recognised to the extent that they are regarded as-recoverable. The amount provided for deferred taxation is not discounted.

**PEN MILL FEEDS LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 27 September 2008

|  | Note | 2008<br>£'000 | 2007<br>£'000 |
|--|------|---------------|---------------|
| Turnover   | 1    | 11,503        | 8,651         |
| Cost of sales  |      | (9,910)       | (7,058)       |
| <b>Gross profit</b>                                  |      | <b>1,593</b>  | <b>1,593</b>  |
| Distribution costs                                   |      | (686)         | (687)         |
| Administrative expenses                              |      | (597)         | (578)         |
| <b>Operating profit</b>                              | 2    | <b>310</b>    | <b>328</b>    |
| Profit on sale of fixed assets                       |      | -             | 1             |
| Interest payable and similar charges                 | 3    | 310<br>(28)   | 329<br>(66)   |
| <b>Profit on ordinary activities before taxation</b> |      | <b>282</b>    | <b>263</b>    |
| Tax on profit on ordinary activities                 | 5    | (70)          | (38)          |
| <b>Profit for the financial year</b>                 | 14   | <b>212</b>    | <b>225</b>    |

All of the company's turnover and net operating costs were derived from continuing activities.

The company had no recognised gains or losses other than those passing through the profit and loss account.

The accompanying accounting policies and notes form an integral part of these financial statements.

# PEN MILL FEEDS LIMITED

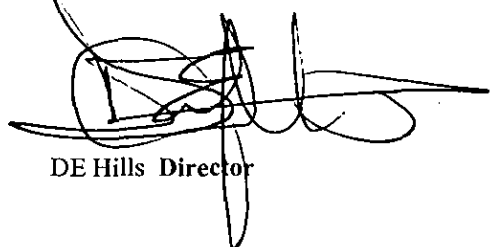
## BALANCE SHEET AT 27 SEPTEMBER 2008

|  | Note | 2008<br>£'000  | 2007<br>£'000  |
|--|------|----------------|----------------|
| <b>Fixed assets</b>  |      |                |                |
| Tangible assets  | 6    | 1,549          | 1,501          |
| <b>Current assets</b>  |      |                |                |
| Stocks   |      | 275            | 184            |
| Debtors  | 7    | 2,746          | 1,904          |
| Cash at bank and in hand                                       |      | -              | 238            |
|  |      | <u>3,021</u>   | <u>2,326</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 8    | <u>(2,869)</u> | <u>(2,248)</u> |
| <b>Net current assets</b>                                      |      | <u>152</u>     | <u>78</u>      |
| <b>Total assets less current liabilities</b>                   |      | <u>1,701</u>   | <u>1,579</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 9    | (183)          | (280)          |
| <b>Provisions for liabilities and charges</b>                  | 10   | (128)          | (121)          |
| <b>Net assets</b>  |      | <u>1,390</u>   | <u>1,178</u>   |
| <b>Capital and reserves</b>                                    |      |                |                |
| Called up share capital  | 12   | 1              | 1              |
| Share premium  | 13   | 60             | 60             |
| Profit and loss account  | 14   | 1,329          | 1,117          |
| <b>Equity shareholder's funds</b>                              | 15   | <u>1,390</u>   | <u>1,178</u>   |

The financial statements were approved by the board of directors and authorised for issue on 13 February 2009.



AW Duffield Director



DE Hills Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# PEN MILL FEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 September 2008

### 1 TURNOVER

Turnover represents sales at invoice value on deliveries made, excluding Value Added Tax and allowances given, derived from the company's principal activities, conducted entirely within the United Kingdom.

### 2 OPERATING PROFIT

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| <b>Operating profit is stated after charging:</b>                                      |               |               |
| Depreciation   | 171           | 195           |
| Auditors' remuneration:  |               |               |
| Audit fees in respect of audit of the company's annual accounts                        | 5             | 5             |
| Fees paid in respect of other services - tax services                                  | 2             | 2             |
|  | <hr/>         | <hr/>         |
| Directors' emoluments including benefits in kind - paid by the ultimate parent company | 67            | 55            |
|  | <hr/>         | <hr/>         |

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

|                         | 2008  | 2007  |
|-------------------------|-------|-------|
| Defined benefit schemes | 2     | 2     |
|                         | <hr/> | <hr/> |

### 3 INTEREST PAYABLE

|   | 2008<br>£'000 | 2007<br>£'000 |
|---|---------------|---------------|
| Amounts payable on loans and overdrafts | 28            | 66            |
|   | <hr/>         | <hr/>         |

### 4 STAFF NUMBERS AND COSTS

The average number of persons (including directors) employed by the company during the year, categorised by function, was as follows:

|                    | Number of employees |       |
|--------------------|---------------------|-------|
|                    | 2008                | 2007  |
| Management         | 2                   | 2     |
| Administration     | 3                   | 3     |
| Production         | 10                  | 10    |
| Sales and delivery | 10                  | 10    |
|                    | <hr/>               | <hr/> |
|                    | 25                  | 25    |
|                    | <hr/>               | <hr/> |

The aggregate payroll costs of these persons were as follows:

|                               | 2008<br>£'000 | 2007<br>£'000 |
|-------------------------------|---------------|---------------|
| Wages and salaries            | 669           | 666           |
| Social security costs         | 68            | 70            |
| Other pension costs (note 16) | 23            | 20            |
|                               | <hr/>         | <hr/>         |
|                               | 760           | 756           |
|                               | <hr/>         | <hr/>         |

# PEN MILL FEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 September 2008

### 5 TAXATION ON PROFIT ON ORDINARY ACTIVITY

#### (a) Analysis of the tax charge for the year:

The taxation charge on the profit on ordinary activity comprises:

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| <b>Current taxation</b>                      |               |               |
| UK corporation tax on profits of the year    | 15            | 19            |
| Over provision in respect of the prior year  | (4)           | -             |
| Payment in respect of group relief           | 52            | -             |
|  | <hr/>         | <hr/>         |
| Total current taxation (note 5(b))           | 63            | 19            |
| <b>Deferred taxation</b>                     |               |               |
| Deferred taxation - current year             | 7             | 24            |
| Deferred taxation - effect of change in rate | -             | (7)           |
| Deferred taxation - prior year               | -             | 2             |
|  | <hr/>         | <hr/>         |
| Tax on profit on ordinary activities         | 70            | 38            |
|  | <hr/>         | <hr/>         |

UK corporation tax has been charged at 28% (2007: 30%).

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2007: lower) than the standard rate of corporation tax in the UK of 28% (2007: 30%). The differences are explained below:

|   | 2008<br>£'000 | 2007<br>£'000 |
|---|---------------|---------------|
| Profit on ordinary activities before taxation   | 282           | 263           |
|   | <hr/>         | <hr/>         |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007: 30%) | 79            | 79            |
| Effects of:   |               |               |
| Expenses not deductible for tax purposes  | -             | 1             |
| Capital allowances in excess of depreciation  | (9)           | (8)           |
| Marginal relief/lower tax rate applicable   | -             | (8)           |
| Losses brought forward utilised   | -             | (45)          |
| Adjustment in respect of tax paid at lower rates  | (3)           | -             |
| Adjustment in respect of prior year   | (4)           | -             |
|   | <hr/>         | <hr/>         |
| Tax charge for the year (note 5(a))   | 63            | 19            |
|   | <hr/>         | <hr/>         |

The corporation tax payable for the year has been reduced by £51,791 (2007: £nil) because of group relief received from its ultimate parent company for which this year a payment is made at the actual rate applicable to the period.

**PEN MILL FEEDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 27 September 2008

**6 TANGIBLE FIXED ASSETS**

|                                     | Freehold<br>property<br>£'000 | Plant and<br>equipment<br>£'000 | Office<br>equipment<br>and software<br>£'000 | Assets in the<br>course of<br>construction<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|-------------------------------------|-------------------------------|---------------------------------|--|---|----------------------------|----------------|
| <b>Cost</b>                         |                               |                                 |  |   |                            |                |
| At 30 September 2007                | 639                           | 1,322                           | 99   | 12  | 360                        | 2,432          |
| Additions                           | -                             | 132                             | 9  | -   | 78                         | 219            |
| Transfers                           | -                             | 12                              | -  | (12)  | -                          | -              |
| At 27 September 2008                | 639                           | 1,466                           | 108  | -   | 438                        | 2,651          |
| <b>Depreciation</b>                 |                               |                                 |  |   |                            |                |
| At 30 September 2007                | 98                            | 540                             | 76   | -   | 217                        | 931            |
| Charge for year                     | 12                            | 125                             | 10   | -   | 24                         | 171            |
| At 27 September 2008                | 110                           | 665                             | 86   | -   | 241                        | 1,102          |
| Net book value at 27 September 2008 | 529                           | 801                             | 22   | -   | 197                        | 1,549          |
| Net book value at 29 September 2007 | 541                           | 782                             | 23   | 12  | 143                        | 1,501          |

Of the net book value of freehold land and buildings at 27 September 2008 totalling £529,000 (2007: £541,000), £279,000 (2007: £291,000) is subject to depreciation and land of £250,000 (2007: £250,000) is not depreciated.

**PEN MILL FEEDS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 27 September 2008

**7 DEBTORS**

|                                    | 2008<br>£'000 | 2007<br>£'000 |
|------------------------------------|---------------|---------------|
| Trade debtors                      | 1,280         | 865           |
| Amounts owed by group undertakings | 806           | 848           |
| Other debtors                      | 653           | 182           |
| Prepayments and accrued income     | 7             | 9             |
|                                    | <u>2,746</u>  | <u>1,904</u>  |

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2008<br>£'000 | 2007<br>£'000 |
|------------------------------------|---------------|---------------|
| Bank loans and overdrafts          | 314           | 100           |
| Trade creditors                    | 1,127         | 659           |
| Amounts owed to group undertakings | 1,315         | 1,341         |
| Social security and other taxes    | 15            | 19            |
| Corporation tax                    | 15            | 19            |
| Accrued expenses                   | 83            | 110           |
|                                    | <u>2,869</u>  | <u>2,248</u>  |

The bank overdraft and loans are secured by way of a fixed and floating charge over the assets of the company.

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|   | 2008<br>£'000 | 2007<br>£'000 |
|---|---------------|---------------|
| Bank loans                                      | <u>183</u>    | <u>280</u>    |
| Amounts falling due between two and five years: |               |               |
|   | 2008<br>£'000 | 2007<br>£'000 |
| Repayable by instalments - bank loans           |               |               |
| Amounts falling due between one and two years   | 100           | 100           |
| Amounts falling due between two and five years  | <u>83</u>     | <u>180</u>    |

The bank overdraft and loans are secured by way of a fixed and floating charge over the assets of the company. The bank loan is repayable in monthly instalments of £8,333. Interest is charged at 1.25% above base rate.

# PEN MILL FEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 September 2008

### 10 DEFERRED TAXATION

Provision is made for deferred taxation which represents deferral of taxation by the liability method as follows:

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| At beginning of year                             | 121           | 102           |
| Charge for the year (note 5(a)) - prior year     | -             | 2             |
| Charge for the year (note 5(a)) - change in rate | -             | (7)           |
| Charge for the year (note 5(a)) - current year   | 7             | 24            |
|  | <hr/>         | <hr/>         |
| At end of year                                   | 128           | 121           |
|  | <hr/>         | <hr/>         |

The amounts provided for deferred taxation are set out below:

|   | 2008<br>£'000 | 2007<br>£'000 |
|---|---------------|---------------|
| Capital allowances in advance of depreciation | 128           | 121           |
|   | <hr/>         | <hr/>         |

### 11 CONTINGENT LIABILITIES

The company has a contingent liability in respect of an unlimited guarantee given to National Westminster Bank PLC covering all amounts which may become due to the bank by certain fellow group undertakings. At 27 September 2008 this liability amounted to £180,454 (2007: £1,085,385).

### 12 CALLED UP SHARE CAPITAL

|   | 2008<br>£ | 2007<br>£ |
|---|-----------|-----------|
| Authorised  |           |           |
| 1,000 ordinary shares of £1 each                  | 1,000     | 1,000     |
| 5,000 ordinary A, B, C, D and E shares of £1 each | 5,000     | 5,000     |
|   | <hr/>     | <hr/>     |
|   | 6,000     | 6,000     |
|   | <hr/>     | <hr/>     |
| Allotted, issued and fully paid                   |           |           |
| 1,000 ordinary shares of £1 each                  | 1,000     | 1,000     |
| 4 ordinary A, B, C, D and E shares of £1 each     | 4         | 4         |
|   | <hr/>     | <hr/>     |
|   | 1,004     | 1,004     |
|   | <hr/>     | <hr/>     |

The ordinary A, B, C, D and E shares of £1 each have no voting rights attached but rank pari passu with the £1 ordinary shares in all other respects.

# PEN MILL FEEDS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 27 September 2008

### 13 SHARE PREMIUM

|                                     | 2008<br>£'000 | 2007<br>£'000 |
|-------------------------------------|---------------|---------------|
| Brought forward and carried forward | 60            | 60            |

### 14 PROFIT AND LOSS ACCOUNT

|                              | 2008<br>£'000 | 2007<br>£'000 |
|------------------------------|---------------|---------------|
| Balance at beginning of year | 1,117         | 892           |
| Profit for the year          | 212           | 225           |
| Balance at end of year       | 1,329         | 1,117         |

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

|                                     | 2008<br>£'000 | 2007<br>£'000 |
|-------------------------------------|---------------|---------------|
| Profit for the financial year       | 212           | 225           |
| Net increase in shareholder's funds | 212           | 225           |
| Opening shareholder's funds         | 1,178         | 953           |
| Closing shareholder's funds         | 1,390         | 1,178         |

### 16 PENSION COMMITMENTS

The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund. Pension contributions charged to the profit and loss account in the year amounted to £23,000 (2007: £20,000).

### 17 OTHER FINANCIAL COMMITMENTS

At 27 September 2008, the company had capital commitments of £Nil (2007: £80,000) which were contracted for at the end of the financial year but for which no provision has been made.

### 18 ULTIMATE PARENT UNDERTAKING AND CONTROL

The immediate parent undertaking of the company is W L Duffield & Sons Limited, a company registered in England and Wales. W L Duffield & Sons Limited owns 100% of the issued ordinary share capital of Pen Mill Feeds Limited.

The ultimate parent undertaking of Pen Mill Feeds Limited is Duffields Mills Limited which is a company registered in England and Wales. Duffields Mills Limited prepares consolidated financial statements in which the results of Pen Mill Feeds Limited are included. These consolidated financial statements are available from Companies House, Cardiff, CF4 3UZ.

Duffields Mills Limited is controlled by A W Duffield.