

EASEY PIGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2011

WEDNESDAY



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EASEY PIGS LIMITED

COMPANY INFORMATION

DIRECTORS

M J Easey
J A Easey
C M Easey

COMPANY SECRETARY

C M Easey

COMPANY NUMBER

06474607

REGISTERED OFFICE

Unit 1
Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

TRADING ADDRESS

Town Farm
Hoxne
Eye
Suffolk
IP21 5DB

AUDITORS

Larking Gowen Limited
Chartered Accountants & Statutory Auditors
Unit 1
Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

EASEY PIGS LIMITED

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EASEY PIGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors present their report and the financial statements for the year ended 28 February 2011

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of pig farming

BUSINESS REVIEW

The statutory results for the company are shown on page 4

These results fully reflect the difficult year had by the pig industry due to increased world grain prices not matched by the increase in the price of pork. As the price of finished live pigs was particularly susceptible this decrease combined with the increase grain prices, resulted in a reduced gross margin and a net loss for the year

The feed and pork price issues have eased since the year-end and the company is reporting improved results, which are currently expected to continue

Given the nature of the business, the company's directors are of the opinion that complete analysis using key performance indicators is not useful for an understanding of the development, performance or position of the business

DIRECTORS

The directors who served during the year were

M J Easey
J A Easey
C M Easey

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

EASEY PIGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2011

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The loss for the year, after taxation, amounted to £353,774 (2010 - profit £1,277,613)

PROVISION OF INFORMATION TO AUDITORS

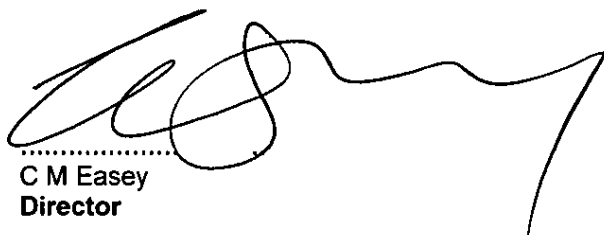
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Larking Gowen Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf



.....
C M Easey
Director

Date 28-11-11

EASEY PIGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EASEY PIGS LIMITED

We have audited the financial statements of Easey Pigs Limited for the year ended 28 February 2011, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Grant Pilcher FCA ATH TEP (Senior statutory auditor)

for and on behalf of
Larking Gowen Limited
Chartered Accountants
Statutory Auditors
Ipswich

28 November 2011

EASEY PIGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	60,496,986	44,736,137
Cost of sales		<u>(58,376,693)</u>	<u>(41,079,171)</u>
GROSS PROFIT		2,120,293	3,656,966
Administrative expenses		<u>(2,461,602)</u>	<u>(1,884,474)</u>
OPERATING (LOSS)/PROFIT	3	(341,309)	1,772,492
Interest receivable and similar income		2,473	4,769
Interest payable and similar charges	7	<u>(211)</u>	<u>(980)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(339,047)	1,776,281
Tax on (loss)/profit on ordinary activities	8	<u>(14,727)</u>	<u>(498,668)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	16	<u>(353,774)</u>	<u>1,277,613</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

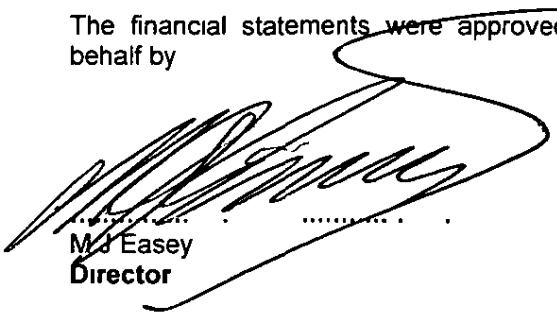
The notes on pages 6 to 13 form part of these financial statements

EASEY PIGS LIMITED
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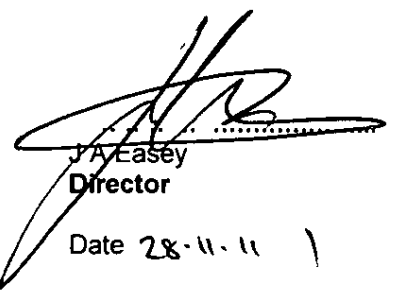
BALANCE SHEET
AS AT 28 FEBRUARY 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	9		844,909		824,146
CURRENT ASSETS					
Stocks	10	10,559,158		9,536,195	
Debtors	11	3,050,161		2,697,709	
Cash at bank and in hand		41,989		45,022	
		<u>13,651,308</u>		<u>12,278,926</u>	
CREDITORS: amounts falling due within one year	12	<u>(8,998,179)</u>		<u>(6,241,934)</u>	
NET CURRENT ASSETS			<u>4,653,129</u>		<u>6,036,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,498,038</u>		<u>6,861,138</u>
CREDITORS: amounts falling due after more than one year	13		<u>(4,500,000)</u>		<u>(4,500,000)</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	14		<u>(53,944)</u>		<u>(43,270)</u>
NET ASSETS			<u><u>944,094</u></u>		<u><u>2,317,868</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		3		3
Profit and loss account	16		<u>944,091</u>		<u>2,317,865</u>
SHAREHOLDERS' FUNDS	17		<u><u>944,094</u></u>		<u><u>2,317,868</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


M J Easey
Director

Date 28.11.11


J A Easey
Director

Date 28.11.11

The notes on pages 6 to 13 form part of these financial statements

EASEY PIGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The company is part of the Easey Holdings group which, has external bank borrowings along with financial support from M Easey and his family. This has been used to fund the activities of the company and support the group. Results for the group in the year show continued growth.

The performance of the company during the financial year has been affected by the drop in the live finished pig prices and the increase in the world grain prices. Since the year end, the company's trade has improved as live finished pig prices have increased along with an easing in the world grain prices.

The company is part of the group guarantee for a joint borrowing facility with Barclays Bank PLC, as shown in note 12. Post year end, the position in the group guarantee has improved due to the group remaining profitable.

Accordingly, the directors have a reasonable expectation that the company has adequate resources and continued support of their parent and directors, to continue in operational existence for the foreseeable future, thus have adopted the going concern basis of accounting in preparing the financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised on the date when the pigs are slaughtered.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	10% straight line
Plant & machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance
Office equipment	-	25% reducing balance

EASEY PIGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

1. ACCOUNTING POLICIES (continued)

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. TURNOVER

All turnover arose within the United Kingdom

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	<u>206,617</u>	<u>137,977</u>

4. AUDITORS' REMUNERATION

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>12,500</u>	<u>12,000</u>

EASEY PIGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011	2010
	£	£
Wages and salaries	930,778	583,762
Social security costs	32,899	56,931
Other pension costs	118,440	242,880
	<u>1,082,117</u>	<u>883,573</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011	2010
	No.	No
Administration	6	6
Direct	20	15
Management	3	3
	<u>29</u>	<u>24</u>

6. DIRECTORS' REMUNERATION

	2011	2010
	£	£
Emoluments	<u>283,574</u>	<u>192,867</u>
Company pension contributions to defined contribution pension schemes	<u>118,440</u>	<u>242,880</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £129,287 (2010 - £90,279)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £59,220 (2010 - £121,440)

EASEY PIGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

7. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	211	980

8. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	464,268
Adjustments in respect of prior periods	4,053	(462)
Total current tax	4,053	463,806
Deferred tax		
Deferred tax charge/credit current year	14,726	34,862
Deferred tax charge/credit prior year	(4,052)	-
Total deferred tax (see note 14)	10,674	34,862
Tax on (loss)/profit on ordinary activities	14,727	498,668

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2010 - the same as) the standard rate of corporation tax in the UK of 28% (2010 - 28%) as set out below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(339,047)	1,776,281
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	(94,933)	497,359
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	722	1,711
Capital allowances for year in excess of depreciation	(14,787)	(34,802)
Adjustments to tax charge in respect of prior periods	4,053	(462)
Group relief	108,998	-
Current tax charge for the year (see note above)	4,053	463,806

EASEY PIGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

9. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Motor vehicles £	Total £
Cost				
At 1 March 2010	2,288	818,772	141,172	962,232
Additions	-	223,574	10,295	233,869
Disposals	-	(10,400)	(1,590)	(11,990)
At 28 February 2011	<u>2,288</u>	<u>1,031,946</u>	<u>149,877</u>	<u>1,184,111</u>
Depreciation				
At 1 March 2010	-	99,283	38,803	138,086
Charge for the year	-	191,110	15,507	206,617
On disposals	-	(5,037)	(464)	(5,501)
At 28 February 2011	<u>-</u>	<u>285,356</u>	<u>53,846</u>	<u>339,202</u>
Net book value				
At 28 February 2011	<u>2,288</u>	<u>746,590</u>	<u>96,031</u>	<u>844,909</u>
At 28 February 2010	<u>2,288</u>	<u>719,489</u>	<u>102,369</u>	<u>824,146</u>

10. STOCKS

	2011 £	2010 £
Feed and medication	653,052	454,300
Livestock	9,906,106	9,081,895
	<u>10,559,158</u>	<u>9,536,195</u>

11. DEBTORS

	2011 £	2010 £
Trade debtors	2,417,918	2,299,420
Other debtors	626,026	391,568
Prepayments and accrued income	6,217	6,721
	<u>3,050,161</u>	<u>2,697,709</u>

EASEY PIGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2011**

12 CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	3,016,093	982,951
Trade creditors	3,896,756	2,878,258
Amounts owed to group undertakings	1,900,665	2,234,397
Social security and other taxes	16,048	33,235
Other creditors	31,015	25,654
Accruals and deferred income	137,602	87,439
	<u>8,998,179</u>	<u>6,241,934</u>

The company including other subsidiary companies agreed jointly to guarantee to Barclays Bank Plc, the liabilities of each other in respect of their joint borrowing facilities. At 28 February 2011 the net liability that existed under this arrangement was £4,094,356 (2010 - 3,614,681)

13. CREDITORS:

Amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	<u>4,500,000</u>	<u>4,500,000</u>

14. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	43,270	8,408
Charge for year	10,674	34,862
At end of year	<u>53,944</u>	<u>43,270</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>53,944</u>	<u>43,270</u>

EASEY PIGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

15. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	<u>3</u>	<u>3</u>

16. RESERVES

	Profit and loss account £
At 1 March 2010	2,317,865
Loss for the year	(353,774)
Dividends	(1,020,000)
At 28 February 2011	<u>944,091</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	2,317,868	1,040,255
(Loss)/profit for the year	(353,774)	1,277,613
Dividends (Note 18)	(1,020,000)	-
Closing shareholders' funds	<u>944,094</u>	<u>2,317,868</u>

18. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>1,020,000</u>	<u>-</u>

19. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company of

EASEY PIGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2011

Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	<u>118,440</u>	<u>242,880</u>

20. RELATED PARTY TRANSACTIONS

We are relying on the exemption within FRS8 from disclosure of transactions between the company and its 100% owned group companies

During the year, the company traded with M J & J A Easey, (M J Easey (director) sole trade business) Sales of £355,052 (2010 £1,309,558) and purchases of £1,391,266 (2010 £2,666,150) were made by the sole trade. At the year end the company had a trade creditor of £17,131 (2010 £25,653) owed to the sole trade

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is Easey Holdings Limited, a company registered in England and Wales, by virtue of its 100% shareholding