Company Registration No. SC081663 (Scotland)

WEYLAND FARMS LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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WEYLAND FARMS LIMITED

COMPANY INFORMATION

Directors	R W Crichton M J F Drever J Foubister J Moar E F Scott
Secretary	G O Waterson
Company number	SC081663
Registered office	Council Offices Kirkwall Orkney KW15 1NY
Accountants	A. J. B. Scholes Limited 8 Albert Street Kirkwall Orkney KW15 1HP
Bankers	The Royal Bank of Scotland plc 1 Victoria Street Kirkwall Orkney KW15 1DP

WEYLAND FARMS LIMITED

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WEYLAND FARMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

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

Principal activities
The principal activity of the company continued to be farming.

Directors
The following directors have held office since 1 April 2009:

R W Crichton
M J F Drever
J Foubister
J Moar
E F Scott

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

J Foubister

J Foubister
Director
23.09.10

WEYLAND FARMS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF WEYLAND FARMS LIMITED

In accordance with the engagement letter dated 8 April 2010, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of Weyland Farms Limited for the year ended 31 March 2010, set out on pages 3 to 18 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants of Scotland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 March 2010 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

A. J. B. Scholes Limited

21 May 2010

Chartered Accountants

8 Albert Street
Kirkwall
Orkney
KW15 1HP

WEYLAND FARMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes		2010 £		2009 £
Turnover					
Continuing operations		68,352		-	
Discontinued activities		-		302,611	
			68,352		302,611
Cost of sales			(18,287)		(172,226)
Gross profit			50,065		130,385
Administrative expenses			(16,154)		(69,420)
Other operating income			136		10,910
Operating profit	3				
Continuing operations		34,047		-	
Discontinued activities		-		71,875	
			34,047		71,875
Gain on sale of tangible assets			-		15,990
Profit on ordinary activities before interest			34,047		87,865
Investment income	4		-		10
Other interest receivable and similar income	4		14		-
Profit on ordinary activities before taxation			34,061		87,875
Tax on profit on ordinary activities	5		-		(2,260)
Profit for the year	11		34,061		85,615

WEYLAND FARMS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Profit for the financial year		34,061	85,615
Actuarial loss on pension scheme		(22,000)	(20,000)
Total recognised gains and losses relating to the year		12,061	65,615

WEYLAND FARMS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Investments	6		1,183		1,183
Current assets					
Debtors	7	358		41,369	
Cash at bank and in hand		137,689		55,977	
		138,047		97,346	
Creditors: amounts falling due within one year	8	(8,500)		(3,860)	
Net current assets			129,547		93,486
Total assets less current liabilities			130,730		94,669
Retirement benefit obligations			(43,000)		(19,000)
			87,730		75,669
Capital and reserves					
Called up share capital	10		510,000		510,000
Other reserves	11		(43,000)		(19,000)
Profit and loss account	11		(379,270)		(415,331)
Shareholders' funds	12		87,730		75,669

WEYLAND FARMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2010

For the financial year ended 31 March 2010 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 23.09.10

J Poubister
Director

Company Registration No. SC081663

WEYLAND FARMS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		83,958		169,040
Returns on investments and servicing of finance				
Interest received	14		-	
Dividends received	-		10	
Net cash inflow for returns on investments and servicing of finance		14		10
Taxation		(2,260)		-
Capital expenditure				
Payments to acquire tangible assets	-		(1,000)	
Receipts from sales of tangible assets	-		37,102	
Net cash (outflow)/inflow for capital expenditure		-		36,102
Net cash inflow before management of liquid resources and financing		81,712		205,152
Financing				
Other new long term loans	-		25,000	
Repayment of other long term loans	-		(177,260)	
Net cash outflow from financing		-		(152,260)
Increase in cash in the year		81,712		52,892

WEYLAND FARMS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

1	**Reconciliation of operating profit to net cash inflow from operating activities**	**2010**	**2009**
		£	**£**
	Operating profit	34,047	71,875
	Depreciation of tangible assets	-	3,963
	Decrease in stocks	-	144,137
	Decrease/(increase) in debtors	41,011	(24,702)
	Increase/(decrease) in creditors within one year	6,900	(26,233)
	Pension scheme non-cash movement	2,000	-
	Net cash inflow from operating activities	83,958	169,040

2	**Analysis of net funds**	**1 April 2009**	**Cash flow**	**Other non-cash changes**	**31 March 2010**
		£	**£**	**£**	**£**
	Net cash:				
	Cash at bank and in hand	55,977	81,712	-	137,689
	Net funds	55,977	81,712	-	137,689

3	**Reconciliation of net cash flow to movement in net funds**	**2010**	**2009**
		£	**£**
	Increase in cash in the year	81,712	52,892
	Cash (inflow)/outflow from (increase)/decrease in debt	-	152,260
	Movement in net funds in the year	81,712	205,152
	Opening net funds/(debt)	55,977	(149,175)
	Closing net funds	137,689	55,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Tenant's improvements	10% reducing balance
Plant and machinery	20% - 25% reducing balance

1.5 Leasing

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

1.6 Investments

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

1.7 Pensions

The company employees are eligible to join a defined benefit local government pension scheme. Contributions payable to this scheme are charged to the profit and loss account over the working lives of the members of the scheme. The contributions are determined by a qualified actuary on the basis of triennial valuations. These contributions are invested separately from the company's assets.

1.8 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by any timing differences between the treatment of certain items for taxation and accounting purposes. There is no deferred tax provision for the year.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Cost of sales and net operating expenses

	2010			2009		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	18,287	-	18,287	-	172,226	172,226
Administrative expenses	16,154	-	16,154	-	69,420	69,420
Other operating income	(136)	-	(136)	-	(10,910)	(10,910)
	34,305	-	34,305	-	230,736	230,736

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	-	3,963
Operating lease rentals	4,285	13,816
Auditors' remuneration	-	1,725
and after crediting:		
Government grants	136	150

4 Investment income

	2010	2009
	£	£
Income from fixed asset investments	-	10
Other interest	14	-
	14	10

5 Taxation	2010	2009
	£	£
Domestic current year tax		
U.K. corporation tax	-	2,260
Current tax charge	-	2,260
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	34,061	87,875
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	7,153	18,454
Effects of:		
Non deductible expenses	-	420
Depreciation add back	-	830
Tax losses utilised	(7,153)	(2,706)
Herd basis adjustment	-	(11,348)
Assets disposed	-	(3,358)
Grants not taxable	-	(32)
	(7,153)	(16,194)
Current tax charge	-	2,260

The company has estimated losses of £ 444,036 (2009 - £ 478,097) available for carry forward against future trading profits.

The company has a capital loss of £31,200 available to carry forward against future capital gains.

6 Fixed asset investments	Unlisted investments
	£
Cost	
At 1 April 2009 & at 31 March 2010	1,183
Net book value	
At 31 March 2010	1,183
At 31 March 2009	1,183

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

7 Debtors	2010	2009
	£	£
Trade debtors	-	40,398
Other debtors	358	971
	358	41,369

8 Creditors: amounts falling due within one year	2010	2009
	£	£
Taxation and social security	-	2,260
Other creditors	8,500	1,600
	8,500	3,860

9 Pension and other post-retirement benefit commitments

Employee benefit obligations

The company's employees are eligible to join a Local Government pension scheme, which is a defined benefit statutory scheme. The most recent full actuarial valuation was on 31 March 2008 and was carried out by a qualified independent actuary. An updated valuation has been prepared at 31 March 2010 for the purposes of FRS17 disclosure. Contributions to the scheme are determined by the actuary on the basis of triennial valuations using the projected unit method.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2010	**2009**
	£	**£**
Present value of funded obligations	148,000	97,000
Fair value of plan assets	(105,000)	(78,000)
	43,000	19,000

The amounts recognised in the profit and loss are as follows:

	Defined benefit pension plans	
	2010	**2009**
	£	**£**
Included in other finance costs		
Interest on obligation	7,000	8,000
Expected return on pension scheme assets	(5,000)	(8,000)
	2,000	-
Actual return on plan assets	32,000	(34,000)

9 **Pension and other post-retirement benefit commitments** **(continued)**

Analysis of amount recognised in the statement of total recognised gains and losses:

	Defined benefit pension plans	
	2010	**2009**
	£	**£**
Actual return less expected return on pension scheme assets	27,000	(42,000)
Experience gains and losses arising on scheme liabilities	-	13,000
Changes in assumptions underlying the present value of the scheme liabilities	(49,000)	9,000
	(22,000)	(20,000)

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2010	**2009**
	£	**£**
Opening defined benefit obligation	97,000	116,000
Interest cost	7,000	8,000
Actuarial losses (gains)	49,000	(22,000)
Benefits paid	(5,000)	(5,000)
Total	148,000	97,000

Changes in fair value of plan assets are as follows:

	Defined benefit pension plans	
	2010	**2009**
	£	**£**
Opening fair value of plan assets	78,000	117,000
Expected return	5,000	8,000
Actuarial losses	27,000	(42,000)
Benefits paid	(5,000)	(5,000)
	105,000	78,000

9 **Pension and other post-retirement benefit commitments** **(continued)**

The major categories of plan assets as a percentage of total plan assets are as follows:

	2010 %	2009 %
Equities	80.00	70.51
Bonds	17.14	25.64
Other assets	2.86	3.85

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2010 %	2009 %
Discount rate at 31 March 2010	5.50	6.90
Expected return on plan assets at 31 March 2010	5.85	5.33
Future salary increases	5.30	4.60
Future pension increases	3.80	3.10

The expected rate of return is based on the long-term future expected return for each asset class as at the beginning of the period:
Equities 7.8%
Bonds 5.0%
Property 5.8%
Cash 4.8%.

Life expectancy is based on the PFA92 and PMA92 year of birth mortality tables for non pensioners and for pensioners. Based on these assumptions, the average future life expectancies at age 65 are:
Current pensioners: Males 21.5 years, Females 24.9 years;
Future Pensioners: Males 23.5 years; Females 27.0 years.

Current pensioners life expectancy is based on age 65 as at formal valuation. Future pensioners life expectancy is based on age 45 as at formal valuation.

An allowance is made for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

9 **Pension and other post-retirement benefit commitments** **(continued)**

Amounts for the current and previous four periods are as follows:
Defined benefit pension plans

	2010	2009	2008	2007	2006
	£	£	£	£	£
Defined benefit obligation	(148,000)	(97,000)	(116,000)	(139,000)	(144,000)
Plan assets	105,000	78,000	117,000	119,000	115,000
Surplus/(deficit)	(43,000)	(19,000)	1,000	(20,000)	(29,000)
Experience adjustments on plan liabilities	-	13,000	-	(1,000)	(15,000)
Experience adjustments on plan assets	27,000	(42,000)	(9,000)	(3,000)	20,000

The company expects to contribute £nil to its defined benefit pension plans in the year ending 31 March 2011.

10 **Share capital**

	2010	2009
	£	£
Authorised		
510,000 Ordinary shares of £1 each	510,000	510,000
Allotted, called up and fully paid		
510,000 Ordinary shares of £1 each	510,000	510,000

11 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2009	(19,000)	(415,331)
Profit for the year	-	34,061
Actuarial gains or losses on pension scheme assets	-	(22,000)
Transfer between profit and loss account reserve and pension scheme reserve	(24,000)	24,000
Balance at 31 March 2010	(43,000)	(379,270)

Other reserves

Pension scheme reserve

Balance at 1 April 2009	(19,000)
Decrease	(24,000)
Balance at 31 March 2010	(43,000)

12 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	34,061	85,615
Other recognised gains and losses	(22,000)	(20,000)
Net addition to shareholders' funds	12,061	65,615
Opening shareholders' funds	75,669	10,054
Closing shareholders' funds	87,730	75,669

13 Control

The ultimate parent organisation is Orkney Islands Council, a local authority incorporated under the Local Government Scotland Act 1973.

14 Related party transactions	2010	2009
	£	£
Transactions with ultimate controlling party, Orkney Islands Council:		
Expenditure		
Rent	4,285	6,504
Service charges	6,633	25,030
Other expenses	696	1,369
	11,614	32,903
Creditors		
Trade creditors and accruals	7,500	-
	7,500	-
Debtors		
Trade debtors	-	1,533