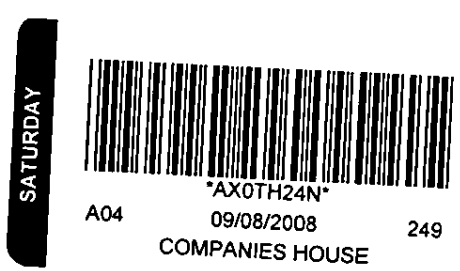


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**W. JORDAN & SON (SILO) LIMITED**

**Consolidated  
Financial Statements**

**For the year ended 29 February 2008**



# **W. JORDAN & SON (SILO) LIMITED**

## **Officers and Professional Advisers**

**Company Registration Number: 00572391**

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### **The Board of Directors**

W J Jordan MBE

R D Jordan

J W Sutcliffe

### **Company Secretary**

R A Payton

### **Registered Office**

Holme Mills

Biggleswade

Bedfordshire

SG18 9JY

### **Auditors**

Ernst & Young LLP

400 Capability Green

Luton

Bedfordshire

LU1 3LU

### **Bankers**

HSBC Bank plc

63 George Street

Luton

Bedfordshire

LU1 2AP

# W. JORDAN & SON (SILO) LIMITED

## The Directors' Report

### Year Ended 29 February 2008

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The directors have pleasure in presenting their report and the financial statements of the group for the year ended 29 February 2008

#### Results and Dividends

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements. The group profit for the financial year was £4,468,439 (2007 – £3,576,511). Details of dividends paid are given in note 8.

#### Principal Activities and Review of the Business

The principal activity of the group during the year continued to be that of the manufacture of cereal products.

The group's key financial and other performance indicators during the year were as follows:

	2008	2007	%
	£	£	change
Turnover	85,564,268	81,491,870	+5%
Operating profit	6,749,144	5,139,891	+31%
Profit before taxation	6,670,710	5,221,220	+28%
Profit after taxation	4,516,713	3,646,407	+24%
Average Number of employees	349	347	+1%
Days sales in debtors	55.34	57.05	-3%
Days sales in stock	29.31	28.39	+3%
Days sales in creditors	(58.88)	(56.38)	+4%
Days sales in working capital	25.78	29.06	-11%
Current assets in relation to current liabilities	1.55	1.63	-5%

The directors are pleased to report the increase in turnover in the year. This growth in the year has been driven by the International business which saw growth of 19% whilst the UK business declined by 1.5%. The UK market place continues to be highly competitive with new entrants gaining footholds in the categories within which the group operates. The international business has been fueled by growth in France, Canada and Italy which are both due to new and organic growth. The directors are optimistic about the results for 2009 with a return to growth in the UK and continued growth internationally.

Profits in the current year have been affected by favourable exchange rate variances, reduced sales promotions activity and hence reduced costs, which after taking into account overhead cost control measures has resulted in the underlying profit performance in the year. In the second half of the year the group has experienced significant price pressures on raw materials, particularly cereal grains and vegetable oils. This pressure is continuing to grow due to worldwide pressures on supplies of cereal grains and oils. The directors are optimistic of managing the impact of these price pressures, however accept that cost price increases to the groups customers will be required. The directors expect the profit for the new financial year to be lower than the year under review as the business will be investing heavily behind the brand in the UK to return it to growth.

# W. JORDAN & SON (SILO) LIMITED

## The Directors' Report *(continued)*

Year Ended 29 February 2008

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### Principal Activities and Review of the Business *(continued)*

Working capital management continues to be improved and the current year has seen day's sales in working capital improve from 29.06 days to 25.78 days. The group's "acid test" ratio has remained within the parameters that is expected by the group.

On the capital investment aspect of the business the current year has been a medium investment year with capital expenditure of the year was only £2,332,598 (2007 £1,289,034). The directors anticipate that the 2009 financial year will be a year of substantial investment due to the future growth anticipated. The improved profitability has allowed the group to reduce its loans through non-scheduled loan repayments of £2,500,000 in the year. In March 2008 the group has made a further non-scheduled loan repayment of £913,500 against the revolving credit facility.

Freehold property brought forward from the prior year included a freehold investment property (land and buildings only) which was valued on 14 June 2007 £1,200,000. On 31 August 2007 this investment property was distributed as a dividend in specie to the shareholders registered at that date.

On 31 August 2007 the company divided its share capital of £1 ordinary shares into ordinary shares having a par value of £0.01 each. On the same day the company issued 1,559 ordinary shares of £0.01 each in return for shares in a subsidiary company, W Jordan (Cereals) Limited, thereby making the subsidiary undertaking a wholly owned company from that date. The value of the acquisition in the books of the company was to record the share swap at par value (£16) and taking into account costs associated with the transaction (£10,500). On consolidation the fair value of the consideration is used and this creates a merger reserve of £2,099,984 and goodwill of £1,494,949.

On 13 September 2007 the shareholders at that time sold 20% of their shareholding in the company to a subsidiary of Associated British Foods plc.

Sustainability is fundamental to the group. It underpins the group's brand values and its supply chain and is the key to its continued financial success. One of the group's unique attributes is its intimate connection with the land, the countryside and sustainable farming. This is backed by a deep commitment to high quality natural ingredients, such as Conservation Grade raw materials and is underpinned by a strict policy of only using ingredients with no artificial colourings, flavourings or preservatives. These high standards require the group to continuously review, challenge and alter the way in which it operates, in order to ensure that it minimises its environmental impact and, wherever possible, work within a strongly positive environmental footprint. This is evident in areas such as packaging, where 90% of the carton board the group uses comes from recycled material, and biodiversity conservation, where the Conservation Grade farming protocol has now been rolled out on over 60,000 acres of British countryside, leading to significant gains in biodiversity.

### Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as competitive, legislative or regulatory and financial instrument risk.

#### *Competitive Risks*

The group is reliant on continued product listings with the major food retailing companies. These listings are reviewed periodically by the retailers and renewal of these listings, which are based on financial and performance criteria determined by the retailer, is uncertain.

# W. JORDAN & SON (SILO) LIMITED

## The Directors' Report *(continued)*

Year Ended 29 February 2008

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### Principal risks and uncertainties *(continued)*

#### *Legislative and Regulatory Risks*

All products manufactured are subject to UK and as well as local, where sold outside of the UK, legislative or regulatory requirements surrounding food production, packaging requirement, and food safety standards. In addition the company is subject to Health & Safety legislation. Compliance with these legislative and or regulatory requirements is reported to senior management and board of directors of principle trading subsidiaries on a regular basis. Compliance imposes costs on the business and failure to comply with these requirements could materially affect the performance of the group.

#### *Financial instrument risk*

The group has an established risk and financial management framework. The primary objectives of this framework are to protect the group from events that hinder the achievement of the group's performance objectives. The objectives of the framework are to limit any undue exposure, ensure adequate working capital exists and to monitor the management of risk at the board level.

- Use of derivatives

The group uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments or material receipts as may be considered necessary. In order to reduce the exposure to foreign currencies, wherever possible the group makes use of natural hedging by buying and selling products in foreign currency.

- Exposure to price, credit, liquidity and cash flow risk

Price risk arises because of changes in, for example, commodity prices as a result of increased demand for commodities or ingredients (including energy and fuel costs), crop failure or political intervention in foreign market places. This is managed by the group through the negotiation of contracts in advance of requirements as well as, where possible, making use of alternate suppliers.

Credit risk is the risk that one party to a financial instrument will cause financial loss for that other party by failing to discharge an obligation. Policies employed by the group seek to reduce this risk and require that credit is only granted to customers who satisfy credit worthiness procedures and or demonstrate an appropriate payment history. Details of the group's debtors are shown in note 14 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate this risk by managing cash generation by its operations through applying targets around working capital. The group also utilises revolving credit facilities and long term loans to manage liquidity risk.

Cash flow risk is the risk of exposure to short term variability in cash flows that could be attributable to any seasonality of the business, capital expenditure requirements, or loan repayments. This risk is managed through agreed bank overdraft facilities as well as available revolving credit facilities. The aim of the group is that over the course of a financial year the cash generated from operations should cover the capital expenditure, working capital, financing and taxation needs of the business.

### Future Developments

The directors aim to maintain the management policies which have seen the group grow in turnover in recent years.

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# W. JORDAN & SON (SILO) LIMITED

## The Directors' Report *(continued)*

Year Ended 29 February 2008

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### The Directors

The directors who served the company during the were as follows

W J Jordan MBE

R D Jordan

J W Sutcliffe (appointed 13 September 2007)

### 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 of the group at the end of the year and of the group's profit or loss for the year then ended. 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, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' and Officers' Indemnity Insurance

The group has taken out insurance to indemnify, against third party proceedings, the directors of the main trading subsidiary company whilst serving on its board. This cover indemnifies all employees of the group who serve on the boards of all subsidiaries, associates and joint ventures. These indemnity policies subsisted throughout the year and remain in place at the date of this report.

# W. JORDAN & SON (SILO) LIMITED

## The Directors' Report *(continued)*

Year Ended 29 February 2008

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### Disclosure of Information to the Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of the information.

### Employee Involvement

The group operates its own programme to inform and involve its employees in the group's operations and business objectives. This includes meetings between local management and employees to allow a free flow of information and ideas.

### Disabled Employees

It is the group's policy to give full consideration to application for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirement of the job. Training and career development and promotion of disabled persons is as far as possible identical to that of other employees.

The services of existing employees who become disabled are retained wherever practical in the same or an alternative position and to provide appropriate training to achieve this aim.

### Post Balance Sheet Events

In March 2008 the group has made a further non scheduled loan repayment of £913,500 against the revolving credit facility.

On 2 June 2008 the group announced that it is planning to merge with The Ryvita Company Limited with effect from 1 September 2008. With effect from that date Associated British Foods plc would become the ultimate parent undertaking as well as the controlling party.

Registered office  
Holme Mills  
Biggleswade  
Bedfordshire  
SG18 9JY

Signed by order of the directors

Approved by the directors on 11 July 2008

  
R A Payton  
Company Secretary

# **W. JORDAN & SON (SILO) LIMITED**

## **Independent Auditors' Report to the Shareholders**

**Year Ended 29 February 2008**

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We have audited the group and parent company financial statements (the "financial statements") of W Jordan & Son (Silo) Limited for the year ended 29 February 2008 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance sheets, the Group Statement of Cash Flows and the related notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

### **Respective Responsibilities of Directors and Auditors**

The directors' responsibilities for preparing the Annual report and the financial statements in accordance with applicable 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 Directors' Report is not 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.



# W. JORDAN & SON (SILO) LIMITED

## Independent Auditors' Report to the Shareholders *(continued)*

Year Ended 29 February 2008

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### 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 parent company's and of the group's affairs as at 29 February 2008 and of the group's 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 Director's Report is consistent with the financial statements

*Ernst & Young LLP*  
Ernst & Young LLP  
Registered Auditor  
Luton

*11 Feb* 2008

# W. JORDAN & SON (SILO) LIMITED

## Group profit and loss account

for the year ended 29 February 2008

	Note	2008 £	2007 £
<b>Turnover</b>	2	85,564,268	81,491,870
Cost of sales		59,535,494	57,877,956
<b>Gross profit</b>		26,028,774	23,613,914
Distribution costs		13,850,165	13,558,267
Administrative expenses		5,429,465	4,915,756
<b>Operating profit</b>	3	6,749,144	5,139,891
Profit from reduction of interest in subsidiary undertaking		–	445,274
Profit on disposal of fixed assets		77,591	–
<b>Profit on ordinary activities before interest</b>		6,826,735	5,585,165
Interest receivable	6	135,346	86,666
Interest payable	6	(291,371)	(450,611)
<b>Profit on ordinary activities before taxation</b>		6,670,710	5,221,220
Tax on profit on ordinary activities	7	2,153,997	1,574,813
<b>Profit for the financial year</b>		4,516,713	3,646,407
Minority interest		48,274	69,896
<b>Profit for the financial year attributable to members of the parent company</b>	27	4,468,439	3,576,511

## Group statement of total recognised gains and losses for the year ended 29 February 2008

	Note	2008 £	2007 £
Profit for the year attributable to members of the parent company		4,468,439	3,576,511
Exchange difference on retranslation of net assets of subsidiary undertaking	27	141,275	(14,599)
Other reserves realised on disposal of assets	27	1,614	–
Revaluation reserve realised on disposal of land	27	886,923	–
<b>Total recognised gains and losses relating to the year</b>		5,498,251	3,561,912

# W. JORDAN & SON (SILO) LIMITED

## Group balance sheet

at 29 February 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Intangible assets	10	1,470,728	21,698
Tangible assets	11	13,255,164	14,877,539
Investments	12	269	269
		<u>14,726,161</u>	<u>14,899,506</u>
<b>Current assets</b>			
Stocks	13	6,871,559	6,338,705
Debtors amounts falling due within one year	14	15,148,297	14,225,787
Debtors amounts falling due after one year	14	—	43,599
Cash at bank and in hand		5,373,672	4,562,324
		<u>27,393,528</u>	<u>25,170,415</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>17,722,357</u>	<u>15,462,062</u>
<b>Net current assets</b>		<u>9,671,171</u>	<u>9,708,353</u>
<b>Total assets less current liabilities</b>		<u>24,397,332</u>	<u>24,607,859</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>—</u>	<u>4,413,500</u>
		<u>24,397,332</u>	<u>20,194,359</u>
<b>Provisions for liabilities</b>			
Deferred taxation	18	367,288	385,604
Minority interest		—	567,283
		<u>24,030,044</u>	<u>19,241,472</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	23	520	504
Other reserves	24	3,000,583	3,002,129
Merger reserve	25	2,099,984	—
Revaluation reserve	26	—	886,923
Profit and loss account	27	18,928,957	15,351,916
<b>Shareholders' funds - equity</b>	28	<u>24,030,044</u>	<u>19,241,472</u>

These financial statements were approved by the board of directors on 11 July 2008 and are signed on its behalf by

  
W J Jordan MBE  
Director

  
R D Jordan  
Director

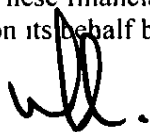
# W. JORDAN & SON (SILO) LIMITED

## Company balance sheet

at 29 February 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	11	–	1,239,612
Investments	12	10,614	98
		<u>10,614</u>	<u>1,239,710</u>
<b>Current assets</b>			
Debtors	14	–	18,543
Cash at bank		11,071	40,754
		<u>11,071</u>	<u>59,297</u>
<b>Creditors: amounts falling due within one year</b>	15	10,000	103,856
		<u>1,071</u>	<u>(44,559)</u>
<b>Net current assets/(liabilities)</b>			
		11,685	1,195,151
<b>Total assets less current liabilities</b>			
<b>Provisions for liabilities</b>			
Deferred taxation	18	–	1,592
		<u>11,685</u>	<u>1,193,559</u>
<b>Total assets less current liabilities</b>			
<b>Capital and reserves</b>			
Called-up equity share capital	23	520	504
Other reserves	24	–	1,614
Revaluation reserve	26	–	886,923
Profit and loss account	27	11,165	304,518
		<u>11,685</u>	<u>1,193,559</u>
<b>Shareholders' funds - equity</b>	28		

These financial statements were approved by the board of directors on 11 July 2008 and are signed on its behalf by



W J Jordan MBE  
Director



R D Jordan  
Director

# W. JORDAN & SON (SILO) LIMITED

## Group cash flow statement

at 29 February 2008

	Notes	2008 £	2007 £
<b>Net cash inflow from operating activities</b>		8,975,025	7,571,622
<b>Returns on investments and servicing of finance</b>			
Interest received	6	135,346	86,666
Interest paid		(334,055)	(450,611)
Dividends paid to minority interest	8	(21,210)	–
		<u>(219,919)</u>	<u>(363,945)</u>
<b>Taxation</b>		(1,785,968)	(922,981)
<b>Capital expenditure and financial investment</b>			
Payments to acquire intangible fixed assets	10	(658)	(1,355)
Payments to acquire tangible fixed assets	11	(2,244,949)	(1,289,034)
Receipts from sale of fixed assets		291,691	16,117
Recovery of loan from group undertakings	12	6,626	–
Payments to acquire interest in group undertakings		(10,500)	–
		<u>(1,957,790)</u>	<u>(1,274,272)</u>
Equity dividends paid	8	<u>(700,000)</u>	<u>(440,000)</u>
<b>Cash inflow before financing</b>		4,311,348	4,570,424
<b>Financing</b>			
Repayment of bank loans		(3,500,000)	(2,500,000)
Proceeds on issue of shares by subsidiary undertaking to minority interests		–	942,685
<b>Net cash outflow from financing</b>		<u>(3,500,000)</u>	<u>(1,557,315)</u>
<b>Increase in cash</b>		<u>811,348</u>	<u>3,013,109</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
		2008 £	2007 £
Increase in cash in the period		811,348	3,013,109
Net cash outflow from repayment of bank loans		<u>3,500,000</u>	<u>2,500,000</u>
<b>Change in net debt resulting from cash flows</b>		4,311,348	5,513,109
<b>Net debt at 1 March 2007</b>		<u>(851,176)</u>	<u>(6,364,285)</u>
<b>Net funds/(debt) at 29 February 2008</b>		<u>3,460,172</u>	<u>(851,176)</u>

# W. JORDAN & SON (SILO) LIMITED

## Group cash flow statement *(continued)*

year ended 29 February 2008

### Reconciliation of operating profit to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit	6,749,144	5,139,891
Amortisation of intangible assets	49,662	10,326
Amortisation of lease premium	(59,004)	–
Release of provision against loans to group undertakings	(6,626)	–
Depreciation and assets scrapped	2,549,005	2,453,316
Profit on disposal of fixed assets	–	(7,883)
Increase in stocks	(532,854)	(154,698)
Increase in debtors	(878,911)	(1,274,787)
Increase in creditors	974,387	1,419,633
Foreign exchange adjustments	130,222	(14,176)
<b>Net cash inflow from operating activities</b>	<u>8,975,025</u>	<u>7,571,622</u>

### Analysis of changes in net debt

	At 1 Mar 2007	Cash flows	Non cash movement	At 29 Feb 2008
	£	£		£
Net cash				
Cash in hand and at bank	4,562,324	811,348	–	5,373,672
Debt				
Debt due within 1 year	(1,000,000)	–	(913,500)	(1,913,500)
Debt due after 1 year	(4,413,500)	3,500,000	913,500	–
	<u>(5,413,500)</u>	<u>3,500,000</u>	<u>–</u>	<u>(1,913,500)</u>
<b>Net (debt)/cash</b>	<u>(851,176)</u>	<u>4,311,348</u>	<u>–</u>	<u>3,460,172</u>

# **W. JORDAN & SON (SILO) LIMITED**

## **Notes to the financial statements**

**at 29 February 2008**

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### **1. Accounting Policies**

#### **Basis of Accounting**

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

#### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

As referred to in note 12, the group has an investment in more than 50% of the issued share capital of one company which has not been consolidated on the grounds that the company has not been consolidated in prior years, has ceased trading and is not material to the group.

#### **Patents and Rights**

Purchased patents, know-how, trademarks, licences and distribution rights are capitalised and amortised over their estimated useful lives. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Goodwill**

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### **Research and Development**

Research and development expenditure is written off in the financial year in which it is incurred.

#### **Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at fair value of the consideration received, net of trade discounts, VAT and other sales taxes or duty.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods.

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

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### 1. Accounting Policies *(continued)*

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Patents & Rights	-	over periods up to 5 years on a straight line basis
Goodwill	-	over 20 years

#### Investments

Investments are accounted for at cost less provisions for diminution in value

#### Fixed Assets

All fixed assets are initially recorded at cost

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	5% reducing balance basis on freehold buildings excluding land
Plant & Machinery	-	20% reducing balance basis
Fixtures & Fittings	-	between 20% and 30% reducing balance basis
Motor Vehicles	-	25% reducing balance basis

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

#### Operating lease agreements

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease



# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

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### 1. Accounting Policies *(continued)*

#### Pension costs

The main trading subsidiary company contributes to a company money purchase personal pension plan for the benefit of employees. Contributions are charged to the profit and loss account as they become due in accordance with the rules of the scheme.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that will result in an obligation to pay more, or a right to pay less or to receive more, tax, in the future have occurred, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at balance sheet date, there is a binding agreement to dispose of the assets concerned. However no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associated and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Provisions

Provisions are set up only where it is probable that a present obligation (legal or constructive) exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably. Provisions are not discounted.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of the opening net assets is taken directly to reserves.

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 2. Turnover

The turnover for the year is derived from the group's principal activity. All of the activities of the group are classed as continuing. An analysis of turnover is given below.

	2008	2007
	£	£
United Kingdom	54,507,443	55,339,126
Europe	29,417,353	24,551,959
Other countries	1,639,472	1,600,785
	<u>85,564,268</u>	<u>81,491,870</u>

### 3. Operating profit

Operating profit is stated after charging/(crediting)

	2008	2007
	£	£
Amortisation of patents and rights	12,288	10,326
Amortisation of goodwill	37,374	—
Depreciation and scrapping of owned fixed assets	2,549,005	2,453,316
Foreign exchange gain	(920,639)	(942)
Auditors' remuneration, for Ernst & Young LLP, is analysed as follows		
- Fees for the audit of the financial statements	42,650	58,926
- Fees for taxation services	26,780	15,950
Auditors' remuneration, for non UK subsidiary audits is analysed as follows		
- Fees for the audit of the financial statement	4,583	—
Operating lease costs - land and buildings	1,162,549	1,251,895
Operating lease costs - plant and equipment	278,192	358,518
	<u>1,440,741</u>	<u>1,610,413</u>

### 4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2008	2007
	No.	No.
Production staff	255	254
Distribution staff	7	6
Administrative staff	87	87
	<u>349</u>	<u>347</u>

The aggregate payroll costs of the above were

	2008	2007
	£	£
Wages and salaries	11,745,716	11,198,007
Social security costs	1,359,864	1,271,652
Pension costs	350,330	330,832
	<u>13,455,910</u>	<u>12,800,491</u>

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 5. Directors' Emoluments

The directors' aggregate emoluments, received from group companies, in respect of qualifying services were

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Emoluments receivable	188,194	219,637
Value of company pension contributions to money purchase schemes	43,200	43,200
	<u>231,394</u>	<u>262,837</u>
	<b>No.</b>	<b>No.</b>
Money purchase schemes	<u>2</u>	<u>2</u>

### Emoluments of highest paid director:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Emoluments receivable	120,868	113,067
Value of company pension contributions to money purchase schemes	21,600	21,600
	<u>142,468</u>	<u>134,667</u>

### 6. Interest receivable/interest payable and similar charges

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Interest receivable		
- Bank interest receivable	133,377	81,107
- Other interest receivable	1,969	5,559
	<u>135,346</u>	<u>86,666</u>
Interest payable and similar charges on bank borrowing	<u>291,371</u>	<u>450,611</u>

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 7. Tax on profit on ordinary activities (a) Analysis of charge in the year

	2008 £	2007 £
Current tax		
In respect of the year		
UK corporation tax	2,128,017	1,708,585
Overseas tax	11,964	39,821
Under provision in prior years	32,332	14,493
Total current tax (note 7(b))	<u>2,172,313</u>	<u>1,762,899</u>
Deferred tax (note 18)		
Origination and reversal of timing differences	(18,316)	(188,086)
Tax on profit on ordinary activities	<u>2,153,997</u>	<u>1,574,813</u>

### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of Corporation tax in the UK of 30% (2007 30%) The differences are reconciled below

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>6,670,710</u>	<u>5,221,220</u>
Profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2007 – 30%)	2,001,213	1,566,366
Expenses not deductible for tax purposes	41,630	7,016
Depreciation in excess of Capital allowances	4,421	(16,808)
Other timing differences	87,137	188,212
Difference in tax rates	5,579	3,620
Adjustments in respect of previous periods	32,333	14,493
Total current tax (note 7(a))	<u>2,172,313</u>	<u>1,762,899</u>

### 8. Dividends

	2008 £	2007 £
Equity dividends paid on ordinary shares	<u>721,210</u>	<u>440,000</u>
Equity dividends issued as a dividend in specie	<u>1,200,000</u>	<u>-</u>

On 31 August 2007 the company recommended and authorised the disposal of land and buildings, at valuation, as a dividend in specie to the shareholders registered at that date

### 9. Profit for the financial year

As permitted by section 230 of the Companies Act 1985 the parent company profit and loss account has not been presented The retained profit for the group for the financial year includes a profit of £718,110 (2007–profit of £156,165) dealt with in the financial statements of the parent company

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

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### 10. Intangible fixed assets

#### Group

	<b>Patents &amp; Rights</b>	<b>Goodwill</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 March 2007	55,895	–	55,895
Additions	658	1,494,949	1,495,607
Exchange adjustments	7,393	–	7,393
At 29 February 2008	<u>63,946</u>	<u>1,494,949</u>	<u>1,558,895</u>
<b>Amortisation</b>			
At 1 March 2007	34,197	–	34,197
Exchange adjustments	4,308	–	4,308
Charge for the year	12,288	37,374	49,662
At 29 February 2008	<u>50,793</u>	<u>37,374</u>	<u>88,167</u>
<b>Net book value</b>			
At 29 February 2008	<u>13,153</u>	<u>1,457,575</u>	<u>1,470,728</u>
At 1 March 2007	<u>21,698</u>	<u>–</u>	<u>21,698</u>

Goodwill arising on the acquisition of the 3% of shares held by minority interests in W Jordan (Cereals) Limited is being amortised evenly over the directors estimate of its useful economic life of 20 years (note 12)

#### Company

There are no intangible assets in the company

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 11. Tangible fixed assets

#### Group

	Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
Cost or valuation	£	£	£	£	£
At 1 March 2007	9,308,254	26,379,469	1,991,963	161,106	37,840,792
Exchange adjustments	–	–	6,196	7,757	13,953
Additions	67,921	2,025,576	216,628	22,473	2,332,598
Reclassification	–	(9,000)	9,000	–	–
Assets written off	(14,568)	(2,623,490)	–	–	(2,638,058)
Disposals	(1,370,151)	(771,504)	(22,714)	(20,397)	(2,184,766)
At 29 February 2008	<u>7,991,456</u>	<u>25,001,051</u>	<u>2,201,073</u>	<u>170,939</u>	<u>35,364,519</u>
<b>Depreciation</b>					
At 1 March 2007	2,593,839	19,146,599	1,154,063	68,752	22,963,253
Exchange adjustments	–	–	4,942	879	5,821
Charge for the year	180,714	1,908,403	265,884	26,005	2,381,006
Reclassification	–	(1,800)	1,800	–	–
Assets written off	(9,263)	(2,460,796)	–	–	(2,470,059)
Disposals	(24,130)	(712,438)	(17,331)	(16,767)	(770,666)
At 29 February 2008	<u>2,741,160</u>	<u>17,879,968</u>	<u>1,409,358</u>	<u>78,869</u>	<u>22,109,355</u>
<b>Net book value</b>					
At 29 February 2008	<u>5,250,296</u>	<u>7,121,083</u>	<u>791,715</u>	<u>92,070</u>	<u>13,255,164</u>
At 1 March 2007	<u>6,714,415</u>	<u>7,232,870</u>	<u>837,900</u>	<u>92,354</u>	<u>14,877,539</u>

#### Land & buildings

	2008	2007
	£	£
Land & buildings comprise		
Freehold – net book value	<u>5,250,296</u>	<u>6,714,415</u>

Included in Land & Buildings is land of £1,851,475 (2007 £3,178,485) that is not depreciated

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 11. Tangible fixed assets *(continued)*

Company	Freehold Property	Plant & Machinery	Motor Vehicles	Total
Cost or valuation	£	£	£	£
At 1 March 2007	1,234,608	131,287	11,910	1,377,805
Disposals	(34,608)	(131,287)	(11,910)	(177,805)
Dividend in specie (note 18)	(1,200,000)	-	-	(1,200,000)
At 29 February 2008	-	-	-	-
<b>Depreciation</b>				
At 1 March 2007	-	128,403	9,790	138,193
Disposals	-	(128,403)	(9,790)	(138,193)
At 29 February 2008	-	-	-	-
<b>Net book value</b>				
At 29 February 2008	-	-	-	-
At 1 March 2007	1,234,608	2,884	2,120	1,239,612

Freehold property included a freehold investment property which was valued, on the basis of open market value, however not in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on 14 June 2007 by Messrs Paddison & Partners Chartered Surveyors at £1,200,000. On 31 August 2007 this investment property was distributed as a dividend in specie to the shareholders registered at that date.

The historical cost of investment properties included at valuation is as follows

	Group £	Company £
At 29 February 2008	-	411,527
At 1 March 2007	411,527	411,527

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 12. Fixed asset investments

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Shares in trade investments at cost Conservation Grade Producers Limited 269 shares of £1 each	269	269	-	-
Shares in subsidiary undertaking at cost W Jordan (Cereals) Limited	-	-	10,614	98

Movement in the year are as follows

Group	Loans to subsidiary undertakings £	Other fixed asset investments £	Total £
<b>Cost:</b>			
At 1 March 2007	3,485,714	269	3,485,983
Movement in the year	(6,627)	-	(6,627)
At 29 February 2008	3,479,087	269	3,479,356
<b>Amounts provided:</b>			
At 1 March 2007	3,485,714	-	3,485,714
Movement in the year	(6,627)	-	(6,627)
At 29 February 2008	3,479,087	-	3,479,087
<b>Net book value</b>			
At 29 February 2008	-	269	269
At 1 March 2007	-	269	269

The above trade investment is not listed on a recognised investment exchange

Company	Shares in subsidiary undertaking £
<b>Cost:</b>	
At 1 March 2007	98
Movement in the year	10,516
At 29 February 2008	10,614
<b>Amounts provided:</b>	
At 1 March 2007	-
Movement in the year	-
At 29 February 2008	-
<b>Net book value</b>	
At 29 February 2008	10,614
At 1 March 2007	98



# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 12. Fixed asset investments (continued)

#### *Principal subsidiary undertakings*

Additional information on principal subsidiary undertakings

Name and nature of business	Country of incorporation	Class of shares held	% of Shares held by group	% of shares held by parent company
W Jordan (Cereals) Limited Manufacture of cereal products	U K	Ordinary	–	100%
Jordans France S A R L Marketing and distribution of group products within France	France	Ordinary	100	–

On 31 August 2007 the company issued 1,559 ordinary shares of 1p each to a minority shareholder of W Jordan (Cereals) Limited in return for the shares held in W Jordan (Cereals) Limited thereby making the subsidiary undertaking a wholly owned subsidiary from that date. The value of the acquisition in the books of the company was to record the share swap at par value (£16) and include costs associated with the transaction (£10,500). On consolidation the fair value of the consideration is used and these results in a merger reserve being created of £2,099,984.

The analysis of the acquisition of this 3% shareholding is as follows

Value attributed to the 3% shareholding	£ 2,100,000
Minority interest at the date of the transaction	(615,551)
Costs associated with the acquisition	10,500
Goodwill arising from the acquisition	<u>1,494,949</u>

#### *Non-consolidated subsidiary*

The group owns 80% of the Organic & Natural Food Company Limited. As this subsidiary has ceased trading and is not material to the group it has not been consolidated. During the year the group recovered £6,627 from the realisation of assets in this subsidiary.

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 13. Stocks

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Raw materials	2,916,501	2,319,157	-	-
Finished goods	3,955,058	4,019,548	-	-
	<u>6,871,559</u>	<u>6,338,705</u>	<u>-</u>	<u>-</u>

### 14. Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	12,974,025	12,737,184	-	-
Other debtors	1,485,340	1,055,787	-	18,543
Prepayments and accrued income	688,932	476,415	-	-
	<u>15,148,297</u>	<u>14,269,386</u>	<u>-</u>	<u>18,543</u>

Amounts falling due after more than one year included above are

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Other debtors	<u>-</u>	<u>43,599</u>	<u>-</u>	<u>-</u>

### 15. Creditors: amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans	1,913,500	1,000,000	-	-
Trade creditors	7,600,700	7,220,405	-	-
Amounts owed by group undertakings	-	-	-	68,826
Corporation tax	1,319,286	932,846	-	21,000
Other taxation and social security	406,620	312,515	-	-
Other creditors	280,519	628,518	-	-
Accruals and deferred income	6,201,732	5,367,778	10,000	14,030
	<u>17,722,357</u>	<u>15,462,062</u>	<u>10,000</u>	<u>103,856</u>

The bank loans and overdrafts are secured by a legal mortgage dated 14 October 1997 over land at Stratton Park, Biggleswade and by a debenture dated 13 October 1997 in respect of a fixed and floating charge over all the companies' assets. There are also unlimited company guarantees with group members.

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 16. Creditors: amounts falling due after more than one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans	-	4,413,500	-	-

### 17. Creditors - capital Instruments: bank loans

Creditors include finance capital which is due for repayment as follows

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts repayable				
In one year or less or on demand	1,913,500	1,000,000	-	-
In more than one year but not more than two years	-	4,413,500	-	-
	<u>1,913,500</u>	<u>5,413,500</u>	<u>-</u>	<u>-</u>

A bank loan totalling £1,000,000 is repayable on a quarterly basis with the final payment in December 2008. A bank loan (a revolving credit facility) of £913,500 does not have any fixed instalment terms, however it is repayable in full by 31 December 2008. The loans bear interest at a rate linked to LIBOR plus a margin element of 0.8%.

### 18. Deferred taxation

The movement in the deferred taxation liability during the year was

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Liability brought forward	(385,604)	(573,690)	(1,592)	(1,592)
Decrease in liability	18,316	188,086	1,592	-
Liability carried forward	<u>(367,288)</u>	<u>(385,604)</u>	<u>-</u>	<u>(1,592)</u>

The group's liability consists of the tax effect of timing differences in respect of

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	(769,456)	(697,385)	-	(1,592)
Other timing differences	402,168	311,781	-	-
	<u>(367,288)</u>	<u>(385,604)</u>	<u>-</u>	<u>(1,592)</u>

There are no material unprovided deferred tax assets or liabilities

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 19. Commitments under operating leases

At 29 February 2008 the group had annual commitments under non-cancellable operating leases as set out below

	2008		2007	
	Land & Buildings	Other Items	Land & Buildings	Other Items
Operating leases which expire	£	£	£	£
Within 1 year	61,510	45,768	84,027	21,829
Within 2 to 5 years	1,102,584	180,201	894,720	220,492
In over 5 years	-	-	147,630	-
	<u>1,164,094</u>	<u>225,969</u>	<u>1,126,377</u>	<u>242,321</u>

The company had no such commitments

### 20. Pensions

The main trading subsidiary company, W Jordan (Cereals) Limited, contributes to a company money purchase personal pension plan for the benefit of the employees and directors. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total contributions expensed in the year amounted to £364,499 (2007 - £330,832). There were outstanding contributions of £48,414 remaining at the year end (2007 - £41,463).

### 21. Contingencies

A contingent liability exists under a guarantee given by the parent company to HSBC in support of the group bank borrowing facilities in the sum of £3,500,000.

A contingent liability exists under a guarantee given by the subsidiary company, W Jordan (Cereals) Limited, in support of the parent company's overdraft and loans which amounted to £Nil at the balance sheet date.

### 22. Related party transactions

#### Control

At 29 February 2008 the group was under the control of W J Jordan MBE and R D Jordan, who are the principal shareholders.

#### Transactions

During the year the group purchased goods, in the normal course of business, from European Oat Millers Limited, a company in which W J Jordan MBE and R D Jordan have an interest, for £6,015,849 (2007 - £5,533,458). The price charged was the normal market price in the case of each purchase. In addition the group provided management services to the value of £6,500 (2007 - £6,000), marketing support of £4,539 (2007 - £nil) and charged rent to the value of £80,380 (2007 - £161,200) to European Oat Millers Limited. At the balance sheet date the amount due to European Oat Millers Limited was £797,440 (2007 - £738,450).

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 22. Related party transactions *(continued)*

During the year the group incurred marketing costs to Porter & Makins Limited and its subsidiaries, a group in which W J Jordan MBE has an interest for £83,733 (2007 – £71,813) The price charged was the normal market price in the case of each purchase At the balance sheet date £3,733 was payable to this related party (2007 – £Nil)

During the year the group sold land and buildings with a book value of £111,413 for consideration of £130,000 to W J Jordan MBE and R D Jordan The consideration received, was in the opinion of the directors, the market value at the time of the disposal

On 31 August 2007 the company recommended and authorised the disposal of land and buildings, at valuation, as a dividend in specie to the shareholders registered at that date

During the year Warburtons Limited, a company in which WR Warburton (a director of a subsidiary undertaking W Jordan (Cereals) Limited) has an interest charged the company £39,600 (2007 £39,600) for the provision of Non Executive Director services

During the year Templeco 636 Limited, a company in which P Baker (a director of a subsidiary undertaking W Jordan (Cereals) Limited) has an interest charged the company £16,525 (2007 £nil) for the provision of NON Executive Director Services

### 23. Share Capital

#### Authorised share capital:

	2008	2007
	£	£
2,000 Ordinary shares of £1 each	–	2,000
200,000 Ordinary shares of £0 01 each	<u>2,000</u>	<u>–</u>

#### Allotted, called up and fully paid:

	2008		2007	
	No.	£	No	£
Ordinary shares of £1 each	–	–	504	504
Ordinary shares of £0 01 each	<u>51,959</u>	<u>520</u>	<u>–</u>	<u>–</u>

On 31 August 2007 the company divided its share capital from shares having a par value of £1 each to shares having a par value of £0 01 each On the same day the company issued 1,559 shares of £0 01 each in return for shares in a subsidiary company (see note 12)

### 24. Other reserves

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Balance brought forward	3,002,129	3,002,133	1,614	1,614
Transferred to profit and loss account	(1,614)	–	(1,614)	–
Exchange adjustments	68	(5)	–	–
Capital reserve	<u>3,000,583</u>	<u>3,002,129</u>	<u>–</u>	<u>1,614</u>

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

### 25. Merger reserve

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Balance brought forward	-	-	-	-
Arising on acquisition (note 12)	2,099,984	-	-	-
Balance carried forward	<u>2,099,984</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 26. Revaluation reserve

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Balance brought forward	886,923	886,923	886,923	886,923
Transferred to profit and loss reserve	(886,923)	-	(886,923)	-
Balance carried forward	<u>-</u>	<u>886,923</u>	<u>-</u>	<u>886,923</u>

### 27. Profit and loss account

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Balance brought forward	15,351,916	12,230,004	304,518	588,353
Revaluation reserve realised	886,923	-	886,923	-
Other reserves realised	1,614	-	1,614	-
Exchange adjustments	141,275	(14,599)	-	-
Profit for the financial year	4,468,439	3,576,511	718,110	156,165
Equity dividends paid	(1,921,210)	(440,000)	(1,900,000)	(440,000)
	<u>18,928,957</u>	<u>15,351,916</u>	<u>11,165</u>	<u>304,518</u>

### 28. Reconciliation of movements in shareholders' funds

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Profit for the financial year	4,468,439	3,576,511	718,110	156,165
Issue of ordinary shares	16	-	16	-
Merger reserve created on acquisition	2,099,984	-	-	-
Equity dividends paid	(1,921,210)	(440,000)	(1,900,000)	(440,000)
Exchange adjustments	141,343	(14,603)	-	-
Net addition to/(deduction from) funds	<u>4,788,572</u>	<u>3,121,908</u>	<u>(1,181,874)</u>	<u>(283,835)</u>
Opening shareholders' equity funds	19,241,472	16,119,564	1,193,559	1,477,394
Closing shareholders' equity funds	<u>24,030,044</u>	<u>19,241,472</u>	<u>11,685</u>	<u>1,193,559</u>

# W. JORDAN & SON (SILO) LIMITED

## Notes to the financial statements

at 29 February 2008

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### 29. Events after the balance sheet date

In March 2008 the group made a further non scheduled loan repayment of £913,500

On 2 June 2008 the group announced that it is planning to merge with The Ryvita Company Limited with effect from 1 September 2008. With effect from that date Associated British Foods plc would become the ultimate parent undertaking as well as the controlling party

### 30. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £746,000 (2007 £699,000)

### 31. Derivatives

The group enters into forward exchange contracts to manage exposure to exchange rate volatility on future commitments. The fair value of the derivatives held at the balance sheet date, determined by reference to the market value is as follows

	2008	2007
	£	£
Forward foreign currency contracts – (liability)/asset	(71,478)	4,524