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Registered number: 00732968

DUFFIELDS MILLS LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 SEPTEMBER 2018

COMPANY INFORMATION

Directors	A W Duffield - Chairman D E Hills (resigned 31 December 2017) M E A Newman R Annable
Company secretary	P M Chase
Registered number	00732968
Registered office	Babylon View Pen Mill Trading Estate Yeovil Somerset BA21 5HR
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The directors present their group strategic report for period ended 29 September 2018.

Principal activities

The company is a holding and coordinating company. The principal activities of the subsidiary undertakings are provender milling and straights' trading, farming and trading in nutritional feedstuffs.

Business review and results

The directors are pleased with the group's performance for the period ended 29 September 2018.

Turnover for the period ended 29 September 2018 was £81,092,000 (2017: £75,075,000). The profit on ordinary activities before taxation was £3,208,000 (2017: £2,517,000) and the profit after taxation for the financial period amounted to £2,618,000 (2017: £2,080,000). Turnover has increased due to a combination of volume increases and commodity price movements. The group's costs have also increased during the period but this is considered to be appropriate for the increase in trade during the period.

Net assets at the period ended amounted to £18,631,000 (2017: £16,093,000).

The financial year of 2017-2018 saw several major events happening in one year.

The first was the "Beast from the East" with cold weather and snow not seen since the early 1980s. This caused a spike in demand and put huge pressure on all of our feed mills around the country. The Directors are pleased to report that during this period the groups fantastic staff worked many extra hours to keep the company's great quality and service levels up against the very tough operating conditions. The next challenge for our customers was the very dry summer, the driest since 1976, again this spiked feed sales particularly for the group's ruminant customers. The lack of grass and any sort of forage increased feed sales, traditionally not seen in the summer months. The group's monogastric sales also continue to grow which reflects the large investments made in recent years in the mills and transport.

Cost management and raw material control remains a top priory in these volatile times with heavy involvement from Directors in these areas.

The large capital investment continues in the group's core business to keep up with the growth of business in all mills

Despite Brexit uncertainty, the Group is well-placed for future growth, backed by the spread of sectors we operate in, geographic coverage, and strong balance sheet.

The Directors are very proud of our dedicated, professional and talented employees, and would like to thank them all for their continued hard work and commitment. Their skill and experience help to ensure that Duffield`s remains one of the leading suppliers of agricultural products and advice to the agricultural industry.

Key performance indicator

The group monitors its performance on a monthly basis through a number of key performance indicators as shown above. The directors are satisfied that the performance under these is very much in line with expectations.

Non financial key performance indicators

The group places considerable emphasis on service levels and we consider our staff to be the most important asset in helping us deliver excellent service to our customers. One factor in helping ensure staff deliver the required level of service is our ability to retain good staff. The key measure of staff retention is staff turnover which we measure annually.. In 2017-18 our staff turnover excluding retirees was:

WLD 11% (2016-17 16%)
DSW 11% (2016-17 6%)

Although we consider this level satisfactory we also try to support this with continued training to ensure that staff can also perform their roles successfully.

Principal risks and uncertainties

It is the aim of the Board to minimise the exposure to risk in all areas of the business but as is common with most businesses in our industry we are subject to various risks. The board consider the most important of these risks to be price, credit and health and safety.

Health and Safety

It is the Group's policy to ensure, so far as is reasonably practical, the health and safety and welfare of all its employees, customers and other visitors to its premises and to comply with relevant health and safety legislation. The Group has a comprehensive health and safety policy, which is reviewed and updated regularly. Risk assessments are undertaken to assess hazards and whom they affect. A formal structure of audit and management reporting exists with a monitoring process, which is regularly reviewed.

Financial Risk Management Objectives and Policies

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

Price Risk

The directors consider the principal risk of the business to be centred on commodity prices which have been subject to significant volatility in recent years. This volatility can affect all areas of the business but the directors believe its continued focus and ability to respond quickly to this volatility protects us from significant short term risk.

Credit Risk

All customers are credit checked before any trade takes place. In addition to these checks, credit limits are also put in place. Significant time is also invested by a number of key employees in the business. All of these controls are considered to minimise our exposure to significant bad debts.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

Future developments

The group's focus is on providing our customers with excellent service levels supported by continued, significant investment in the business. Whilst continued organic growth and consolidation is the priority, the Board also monitor acquisition opportunities to grow the business.

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

A W Duffield - Chairman
Director

Date: 28 February 2019

DIRECTORS' REPORT
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

The directors present their report and the financial statements for the period ended 29 September 2018.

The financial statements are presented for the financial year which comprise the period to either the Saturday immediately preceding, on, or after 30 September each year. As such the financial statements represent the performance and positions of the company as at 29 September 2018, representing 52 weeks of trading (2017- 53 weeks).

Results and dividend

The results for the year are presented on page 8.

The directors declared and paid the final 2017 dividend of 75p per "A" and "B" dividend share on 6 October 2017. The directors paid an interim dividend for 2017 of 75p per "A" and "B" dividend share during the year. A final dividend for 2018 of 75p per "A" and "B" dividend share was declared and paid on 6 October 2018.

Directors

The directors who served during the period were:

A W Duffield - Chairman
D E Hills (resigned 31 December 2017)
M E A Newman
R Annable

Employee involvement

The Group endeavours to communicate with staff and keep them informed of any relevant matters that may impact upon them. The Group is committed to equal opportunities in employment and opposes all forms of unlawful or unfair discrimination.

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Matters covered in the Group strategic report

The following matters are covered in the Group strategic report:

- Business review and future developments
- Principal risks and uncertainties
- Financial risk management objectives and policies
- Key performance indicators

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure 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 the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

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

A W Duffield - Chairman
Director

Date: 28 February 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUFFIELDS MILLS LIMITED

Opinion

We have audited the financial statements of Duffields Mills Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 29 September 2018, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 29 September 2018 and of the Group's profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUFFIELDS MILLS LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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.

Larking Gowen LLP

Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants & Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

28 February 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Note	2018 £000	*2017 £000*
Turnover	4	**81,092**	*75,075*
Cost of sales		**(69,809)**	*(64,958)*
Gross profit		**11,283**	*10,117*
Distribution costs		**(4,126)**	*(3,798)*
Administrative expenses		**(3,893)**	*(3,737)*
Fair value movements		**4**	*4*
Operating profit		**3,268**	*2,586*
Interest payable and expenses	8	**(57)**	*(51)*
Other finance charges		**(3)**	*(18)*
Profit before taxation		**3,208**	*2,517*
Tax on profit	10	**(590)**	*(437)*
Profit for the financial period		**2,618**	*2,080*
Actuarial gains on defined benefit pension scheme		**527**	*463*
Pension surplus not recognised		**(522)**	-
Movement of deferred tax relating to pension deficit		**(38)**	*(79)*
Other comprehensive income for the period		**(33)**	*384*
Total comprehensive income for the period		**2,585**	*2,464*
Profit for the period attributable to:			
Owners of the parent Company		**2,618**	*2,080*
		2,618	*2,080*
Total comprehensive income for the period attributable to:			
Owners of the parent Company		**2,585**	*2,464*
		2,585	*2,464*

The notes on pages 21 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 SEPTEMBER 2018

	Note		29 September 2018 £000		*30 September 2017 £000*
Fixed assets					
Intangible assets	13		**1,228**		*1,474*
Tangible assets	14		**7,919**		*7,649*
Investments	15		**3**		*3*
Investment property	16		**2,005**		*2,005*
			11,155		*11,131*
Current assets					
Stocks	17	**2,017**		*1,637*	
Debtors: amounts falling due within one year	18	**12,843**		*12,395*	
Cash at bank and in hand	19	**2,150**		*885*	
		17,010		*14,917*	
Creditors: amounts falling due within one year	20	**(8,584)**		*(8,656)*	
Net current assets			**8,426**		*6,261*
Total assets less current liabilities			**19,581**		*17,392*
Creditors: amounts falling due after more than one year	21		**(491)**		*(622)*
Provisions for liabilities					
Deferred taxation	23	**(459)**		*(453)*	
			(459)		*(453)*
Net assets excluding pension liability/asset			**18,631**		*16,317*
Pension asset/liability			**-**		*(224)*
Net assets			**18,631**		*16,093*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 SEPTEMBER 2018

	Note	**29 September 2018 £000**	*30 September 2017 £000*
Capital and reserves			
Called up share capital	24	**462**	*462*
Profit and loss account	25	**18,169**	*15,631*
Equity attributable to owners of the parent Company		**18,631**	*16,093*

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

A W Duffield - Chairman
Director

Date: 28 February 2019

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 29 SEPTEMBER 2018

	Note		29 September 2018 £000		30 September 2017 £000
Fixed assets					
Tangible assets	14		**795**		-
Investments	15		**2,529**		*340*
			3,324		*340*
Current assets					
Debtors: amounts falling due within one year	18	**654**		*1,110*	
Cash at bank and in hand	19	**23**		-	
		677		*1,110*	
Creditors: amounts falling due within one year	20	**(428)**		*(454)*	
Net current assets			**249**		*656*
Total assets less current liabilities			**3,573**		*996*
Net assets excluding pension liability/asset			**3,573**		*996*
Pension asset/liability			-		*(224)*
Net assets			**3,573**		*772*

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 SEPTEMBER 2018

	Note	**29 September 2018 £000**	*30 September 2017 £000*
Capital and reserves			
Called up share capital	24	**462**	*462*
Profit and loss account carried forward		**3,111**	*310*
		3,573	*772*

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

A W Duffield - Chairman
Director

Date: 28 February 2019

The notes on pages 21 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2017	462	15,631	16,093
Comprehensive income for the period			
Profit for the period	-	2,618	2,618
Actuarial losses on pension scheme	-	(33)	(33)
Dividends: Equity capital	-	(47)	(47)
At 29 September 2018	462	18,169	18,631

The notes on pages 21 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 September 2016	462	13,214	13,676
Comprehensive income for the period			
Profit for the period	-	2,080	2,080
Actuarial gains on pension scheme	-	384	384
Dividends: Equity capital	-	(47)	(47)
At 30 September 2017	462	15,631	16,093

The notes on pages 21 to 48 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2017	462	310	772
Comprehensive income for the period			
Profit for the period	-	2,881	2,881
Actuarial losses on pension scheme	-	(33)	(33)
Contributions by and distributions to owners			
Dividends: Equity capital	-	(47)	(47)
At 29 September 2018	462	3,111	3,573

The notes on pages 21 to 48 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 September 2016	462	(44)	418
Comprehensive income for the period			
Profit for the period	-	17	17
Actuarial gains on pension scheme	-	384	384
Contributions by and distributions to owners			
Dividends: Equity capital	-	(47)	(47)
At 30 September 2017	462	310	772

The notes on pages 21 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	29 September 2018 £000	*30 September 2017 £000*
Cash flows from operating activities		
Profit for the financial period	**2,618**	*2,080*
Adjustments for:		
Amortisation of intangible assets	**244**	*245*
Depreciation of tangible assets	**1,121**	*1,022*
(Profit) on disposal of tangible assets	**(66)**	*(15)*
Interest paid	**57**	*69*
Taxation charge	**590**	*442*
(Increase) in stocks	**(380)**	*(33)*
(Increase) in debtors	**(446)**	*(2,819)*
Increase in creditors	**354**	*1,884*
Pension scheme contributions paid	**(222)**	*(222)*
Net fair value (gains) recognised in P&L	**(4)**	*(4)*
Corporation tax (paid)	**(523)**	*(319)*
Net cash generated from operating activities	**3,343**	*2,330*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(1,470)**	*(1,661)*
Sale of tangible fixed assets	**146**	*74*
Purchase of trade investments	**-**	*(3)*
HP interest paid	**(18)**	*(25)*
Net cash from investing activities	**(1,342)**	*(1,615)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	29 September 2018 £000	*30 September 2017 £000*
Cash flows from financing activities		
Increase in other loans	**5**	*4*
Repayment of/new finance leases	**49**	*174*
Dividends paid	**(47)**	*(47)*
Interest paid	**(39)**	*(25)*
Net cash used in financing activities	**(32)**	*106*
Net increase in cash and cash equivalents	**1,969**	*821*
Cash and cash equivalents at beginning of period	**181**	*(640)*
Cash and cash equivalents at the end of period	**2,150**	*181*
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**2,150**	*885*
Bank overdrafts	**-**	*(704)*
	2,150	*181*

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 29 SEPTEMBER 2018

	At 1 October 2017 £000	Cash flows £000	New finance leases £000	Other non-cash changes £000	At 29 September 2018 £000
Cash at bank and in hand	885	1,969	-	(704)	2,150
Bank overdrafts	(704)	-	-	704	-
Debt due within 1 year	(129)	-	-	(5)	(134)
Finance leases	(697)	245	(294)	-	(746)
	(645)	2,214	(294)	(5)	1,270

The notes on pages 21 to 48 form part of these financial statements.

1. General information

Duffields Mills Limited is a private company limited by shares incorporated in England and Wales. Its registered address is Babylon View, Pen Mill Trading Estate, Yeovil, Somerset BA21 5HR. The company's principal place of business is: Saxlingham Thorpe Mills, Norwich NR15 1TY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in £ (Sterling) and are rounded to the nearest £1,000.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquire's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over it useful economic life of ten years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Customer relationships are amortised on a straight line basis to the, Consolidated statement of comprehensive income over their useful economic life of ten years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- not depreciated
Freehold buildings	- 10 to 50 years
Residential buildings (included in freehold land and buildings)	- 10 to 50 years
Plant, equipment and transport	- 3 to 25 years
Vehicles (included in plant, equipment and transport)	- 5 to 10 years
Plant leased (included in plant, equipment and transport)	- 4 to 25 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.6 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the group.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Where merger relief is applicable, the cost of investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Borrowing Costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the period in which they are incurred.

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates are associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Amortisation and depreciation of intangible and tangible assets which have been calculated in accordance with the accounting policies.

Investment properties, which are held at valuation as calculated by the directors using available market data.

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Provender milling and straights trading	80,798	74,846
Rents receivable	49	50
Farming and livestock	245	179
	81,092	75,075

All turnover arose within the United Kingdom.

Included within farming and livestock turnover is £30,000 (2017 - £30,000) attributable to government grants.

5. Auditors' remuneration

	2018 £000	2017 £000
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**3**	*3*

Fees payable to the Group's auditor and its associates in respect of:

The auditing of accounts of subsidiaries	**20**	*20*
Taxation compliance services	**11**	*11*
All other services	**6**	*4*

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £000	*Group 2017 £000*	**Company 2018 £000**	*Company 2017 £000*
Wages and salaries	**5,362**	*4,883*	**675**	*498*
Social security costs	**551**	*509*	**70**	*63*
Cost of defined contribution scheme	**168**	*177*	**7**	*34*
	6,081	*5,569*	**752**	*595*

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

	Group 2018 No.	*Group 2017 No.*	**Company 2018 No.**	*Company 2017 No.*
Management	**6**	*4*	*4*	*4*
Administration	**18**	*19*	-	-
Production	**65**	*58*	-	-
Sales and delivery	**66**	*61*	-	-
	155	*142*	*4*	*4*

7. Directors' remuneration

	2018 £000	*2017 £000*
Directors' emoluments	**675**	*497*
Company contributions to defined contribution pension schemes	**7**	*34*
	682	*531*

During the period retirement benefits were accruing to 5 directors *(2017 - 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £587,000 *(2017 - £363,000)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2017 - £18,000)*.

Key management is considered to comprise the directors of the company and its subsidiary undertakings. This assessment has been made having regard to the group, its size and basis of operation. Total key management remuneration for the year was £888,000 (2017: £752,000)

8. Interest payable and similar expenses

	2018 £000	*2017 £000*
Bank interest payable	**36**	*22*
Other loan interest payable	**3**	*3*
Finance leases and hire purchase contracts	**18**	*26*
	57	*51*

9. Other finance costs

	2018 £000	*2017 £000*
Net interest on net defined benefit liability	**3**	*18*
	3	*18*

10. Taxation

	2018 £000	*2017* *£000*
Corporation tax		
Current tax on profits for the year	**621**	*463*
	621	*463*
Total current tax	**621**	*463*
Deferred tax		
Origination and reversal of timing differences	**(31)**	*(51)*
Defined benefit pension scheme	**-**	*35*
Adjustments in respect of previous periods	**-**	*(10)*
Total deferred tax	**(31)**	*(26)*
Taxation on profit on ordinary activities	**590**	*437*

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than *(2017 - lower than)* the standard rate of corporation tax in the UK of 19% *(2017 - 20%)*.

	2018 £000	*2017 £000*
Profit on ordinary activities before tax	**3,208**	*2,517*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	**610**	*503*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**46**	*48*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**13**	*1*
Adjustments to tax charge in respect of prior periods	**-**	*(10)*
Other timing differences leading to an increase (decrease) in taxation	**(30)**	*-*
Change in deferred tax rate	**5**	*(72)*
Unrelieved tax losses carried forward	**(23)**	*(20)*
Other differences leading to an increase (decrease) in the tax charge	**(31)**	*(13)*
Total tax charge for the period	**590**	*437*

Factors that may affect future tax charges

Legislation to reduce the main rate of corporation tax to 17% by 1 April 2020 was included in the Finance Act 2016 and has since become substantively enacted. Deferred tax has been provided for at 17% in these financial statements.

11. Dividends

	29 September 2018 £000	*30 September 2017 £000*
Dividends	**47**	*47*
	47	*47*

12. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the period was £2,881,000 *(2017 - £17,000)*.

13. Intangible assets

Group

	Entitlements £000	Customer relationships £000	Goodwill £000	Total £000
Cost				
At 1 October 2017	**22**	**250**	**4,116**	**4,388**
At 29 September 2018	**22**	**250**	**4,116**	**4,388**
Amortisation				
At 1 October 2017	**12**	**48**	**2,854**	**2,914**
Charge for the year	**4**	**25**	**215**	**244**
At 29 September 2018	**16**	**73**	**3,069**	**3,158**
Net book value				
At 29 September 2018	**6**	**177**	**1,047**	**1,230**
At 30 September 2017	*10*	*202*	*1,262*	*1,474*

14. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 October 2017	2,902	13,140	16,042
Additions	-	1,470	1,470
Disposals	-	(511)	(511)
At 29 September 2018	2,902	14,099	17,001
Depreciation			
At 1 October 2017	1,172	7,221	8,393
Charge for the period on owned assets	54	843	897
Charge for the period on financed assets	-	224	224
Disposals	-	(432)	(432)
At 29 September 2018	1,226	7,856	9,082
Net book value			
At 29 September 2018	1,676	6,243	7,919
At 30 September 2017	*1,730*	*5,919*	*7,649*

Of the net book value of property at 29 September 2018 totaling £1,676,000 (2017 - £1,730,000), £772,000 (2017 - £826,000) is subject to depreciation and land of £904,000 (2017 - £904,000) is not depreciated.

14. Tangible fixed assets (continued)

Company

	Freehold property £000
Cost or valuation	
Transfers intra group	**1,886**
At 29 September 2018	**1,886**
Depreciation	
Transfers intra group	**1,091**
At 29 September 2018	**1,091**
Net book value	
At 29 September 2018	**795**
At 30 September 2017	-

Of the net book value of property at 29 September 2018 totaling £795,000 (2017 - £Nil), £220,000 (2017 - £Nil) is subject to depreciation and land of £575,000 (2017 - £Nil) is not depreciated.

15. Fixed asset investments

Group

	Trade investments £000
At 1 October 2017	3
At 29 September 2018	3
At 30 September 2017	*3*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
W.L. Duffield & Sons Limited	Ordinary	100 %	Provender milling and straights trading and livestock farming
Duffields (South West) Limited	Ordinary	100 %	Provender milling and straights trading and livestock farming
Duffields Hautbois Farms Limited	Ordinary	100 %	Livestock and arable farming
Riverside Feeds Limited	Ordinary	100 %	Dormant
The Hautbois Trading Company Limited	Ordinary	100 %	Dormant
Wm.C.Duffield Limited	Ordinary	100 %	Dormant

15. Fixed asset investments (continued)

All Companies have the same registered office address as the parent company.

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2017	**340**
Transfers intra group	**2,189**
At 29 September 2018	**2,529**
Net book value	
At 29 September 2018	**2,529**
At 30 September 2017	*340*

16. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 October 2017	2,005
At 29 September 2018	**2,005**

The 2018 valuations were made by the directors, on a fair value basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	29 September 2018 £000	*30 September 2017 £000*
Historic cost	505	*505*
	505	*505*

17. Stocks

	Group 29 September 2018 £000	*Group 30 September 2017 £000*	Company 29 September 2018 £000	*Company 30 September 2017 £000*
Raw materials and consumables	1,760	*1,357*	-	-
Finished goods and goods for resale	257	*280*	-	-
	2,017	*1,637*	-	-

18. Debtors

	Group 29 September 2018 £000	*Group 30 September 2017 £000*	**Company 29 September 2018 £000**	*Company 30 September 2017 £000*
Trade debtors	**11,918**	*11,075*	**-**	*-*
Amounts owed by group undertakings	**-**	*-*	**618**	*1,027*
Other debtors	**869**	*1,182*	**36**	*45*
Prepayments and accrued income	**56**	*138*	**-**	*-*
Deferred taxation	**-**	*-*	**-**	*38*
	12,843	*12,395*	**654**	*1,110*

An impairment loss of £32,000 (2017 - £140,000) was recognised in cost of sales against debtors during the year due to the likelihood of non-recoverability of debtors.

19. Cash and cash equivalents

	Group 29 September 2018 £000	*Group 30 September 2017 £000*	**Company 29 September 2018 £000**	*Company 30 September 2017 £000*
Cash at bank and in hand	**2,150**	*885*	**23**	*-*
Less: bank overdrafts	**-**	*(704)*	**-**	*(122)*
	2,150	*181*	**23**	*(122)*

20. Creditors: Amounts falling due within one year

	Group 29 September 2018 £000	*Group 30 September 2017 £000*	**Company 29 September 2018 £000**	*Company 30 September 2017 £000*
Bank overdrafts	**-**	*704*	**-**	*122*
Other loans	**134**	*129*	**134**	*129*
Trade creditors	**6,397**	*6,422*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**145**	*145*
Corporation tax	**367**	*275*	**-**	*-*
Other taxation and social security	**228**	*147*	**79**	*19*
Obligations under finance lease and hire purchase contracts	**255**	*225*	**-**	*-*
Other creditors	**214**	*189*	**64**	*39*
Accruals and deferred income	**989**	*565*	**6**	*-*
	8,584	*8,656*	**428**	*454*

The bank borrowings are secured by fixed and floating charges over the assets of each individual company in the group.

Obligations under finance leases and hire purchase contracts are secured over the assets concerned.

21. Creditors: Amounts falling due after more than one year

	Group 29 September 2018 £000	*Group 30 September 2017 £000*	**Company 29 September 2018 £000**	*Company 30 September 2017 £000*
Net obligations under finance leases and hire purchase contracts	**491**	*472*	**-**	*-*
Other creditors	**-**	*150*	**-**	*-*
	491	*622*	**-**	*-*

Obligations under finance leases and hire purchase contracts are secured over the assets concerned.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 29 September 2018 £000	Group 30 September 2017 £000
Within one year	269	243
Between 1-5 years	524	496
Less: finance charges allocated to future periods	(47)	(42)
	746	697

23. Deferred taxation

Group

	29 September 2018 £000	30 September 2017 £000
At beginning of year	(453)	(400)
Credited to profit or loss	32	26
Charged to other comprehensive income	(38)	(79)
At end of year	(459)	(453)

The amount of the net reversal of deferred tax expected to occur next year £549,000 (2017 - £524,000), relating to the reversal of existing timing differences on tangible fixed assets and defined benefit pension liability.

23. Deferred taxation (continued)

Company

	2018 £000	2017 £000
At beginning of year	**38**	*152*
Charged to profit or loss	**-**	*(35)*
Charged to other comprehensive income	**(38)**	*(79)*
At end of year	**-**	*38*

	Group 29 September 2018 £000	Group 30 September 2017 £000	Company 29 September 2018 £000	Company 30 September 2017 £000
Accelerated capital allowances	**(327)**	*(398)*	**-**	-
Other timing differences	**1**	*46*	**-**	-
Pension deficit	**-**	*38*	**-**	*38*
Capital gains on revalued properties	**(133)**	*(139)*	**-**	-
	(459)	*(453)*	**-**	*38*

The amount of the net reversal of deferred tax expected to occur next year £Nil (2017 - £38,000), relating to the reversal of existing timing differences on tangible fixed assets and defined benefit pension liability.

24. Share capital

	29 September 2018 £000	*30 September 2017 £000*
Allotted, called up and fully paid		
9,000 *(2017 - 9,000)* 'A' Dividend Shares of £1.00 each	**9**	*9*
37,000 *(2017 - 37,000)* 'A' No Dividend Shares of £1.00 each	**37**	*37*
22,000 *(2017 - 22,000)* 'B' Dividend Shares of £1.00 each	**22**	*22*
394,000 *(2017 - 394,000)* 'B' No Dividend Shares of £1.00 each	**394**	*394*
	462	*462*

Each 'A' dividend and 'A' no dividend shares carry one vote on any resolution. The 'B' dividend shares and 'B' no dividend shares carry no voting rights. All shares rank equally in the event of a winding-up.

25. Reserves

Profit and loss account

Profit and loss account includes all current and prior retained profits and losses.

26. Contingent liabilities

There is a joint and several liability under a group VAT registration. At the year end there was an outstanding debtor of £257,000 (2017: £286,000) due from HMRC in respect of the VAT group.

27. Pension commitments

The group operates two money purchase pension schemes. The assets of both schemes are held separately from the group in separately administered funds. The pension cost charge represents contributions payable by the group on behalf of certain directors and employees and amounts to £168,000 (2017 - £177,000).

The Group operates a Defined Benefit Pension Scheme.

The group operates a defined pension scheme, the Duffields Mills Limited Pension Group pension scheme, which was previously open to certain directors, senior staff and works employees. With effect from 31 March 2006, future pension accrual ceased and active staff member's benefits became preserved in the scheme. The scheme's funds are administered by Trustees and are independent of the group's finances. The scheme provides defined benefits based upon final pensions pay. Group contribution levels are determined by a qualified actuary on the basis of periodic valuations using the aggregate method. The most recent triennial valuation was 1 October 2015 and full details of this valuation, updated to 29 September 2018 are shown below.

Reconciliation of present value of plan liabilities:

	29 September 2018 £000	*30 September 2017 £000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**8,130**	*8,618*
Interest cost	**209**	*199*
Actuarial gains/losses	**(472)**	*(440)*
Benefits paid	**(174)**	*(247)*
At the end of the year	**7,693**	*8,130*

Reconciliation of present value of plan assets:

	29 September 2018 £000	*30 September 2017 £000*
At the beginning of the year	**7,906**	*7,727*
Interest income	**206**	*181*
Contributions	**222**	*222*
Benefits paid	**(174)**	*(247)*
Actuarial gains/losses	**55**	*23*
At the end of the year	**(8,215)**	*(7,906)*

27. Pension commitments (continued)

Composition of plan assets:

	29 September 2018 £000	*30 September 2017 £000*
Equities	**3,450**	*3,241*
Corporate bonds	**1,479**	*1,424*
Gilts	**3,286**	*3,241*
Total plan assets	**8,215**	*7,906*

	29 September 2018 £000	*30 September 2017 £000*
Fair value of plan assets	**8,215**	*7,906*
Present value of plan liabilities	**(7,693)**	*(8,130)*
Derecognition of surplus	**(522)**	-
Net pension scheme liability	**-**	*(224)*

The amounts recognised in profit or loss are as follows:

	29 September 2018 £000	*30 September 2017 £000*
Interest on obligation	**3**	*18*
Total	**3**	*18*

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £1,879,000 *(2017 - £1,874,000).*

The Group expects to contribute £222,000 to its Defined Benefit Pension Scheme in 2019.

27. Pension commitments (continued)

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2018	*2017*
	%	*%*
Discount rate	**2.9**	*2.6*
Future salary increases	**2.4**	*2.5*
Future pension increases	**2.4**	*2.5*
Inflation assumption	**2.4**	*2.5*
Mortality rates		
- for a male aged 65 now	**20.9**	*21.1*
- at 65 for a male aged 45 now	**22.0**	*22.2*
- for a female aged 65 now	**22.8**	*22.9*
- at 65 for a female member aged 45 now	**24.0**	*24.2*

28. Commitments under operating leases

At 29 September 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 29 September 2018 £000	*Group 30 September 2017 £000*
Not later than 1 year	**64**	*64*
Later than 1 year and not later than 5 years	**103**	*167*
Later than 5 years	**60**	*70*
	227	*301*

The Company had no commitments under non-cancelable operating leases as at the reporting date.

29. Related party transactions

A W Duffield, a director, controls the company by virtue of holding 24,900 of the 46,000 £1 "A" shares of Duffields Mills Limited.

A W Duffield made interest-bearing unsecured loans to the company which are repayable on demand. These are included in unsecured loans repayable on demand. Interest is accrued at base rate plus 2%.

	29 September 2018 £000	*30 September 2017 £000*
A W Duffield	**59**	*57*

S J Duffield, F A Duffield, F E Duffield and E K Duffield, all of whom are close family members of A W Duffield, made interest-bearing unsecured loans to the company which are repayable on demand. Interest is accrued at base rate plus 2%.

	29 September 2018 £000	*30 September 2017 £000*
S J Duffield	**27**	*26*
F E Duffield	**5**	*5*
F A Duffield	**2**	*2*
E K Duffield	**3**	*3*
	37	*36*

L J Crispe, a shareholder of the company, made interest-bearing unsecured loans to the company which are repayable on demand. Interest is accrued at base plus 2%.

	29 September 2018 £000	*30 September 2017 £000*
L J Crispe	**38**	*36*
	38	*36*

30. Controlling party

The group is controlled by A W Duffield by virtue of his controlling shareholding in the voting shares of Duffields Mills Limited.