

Reg Copy

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

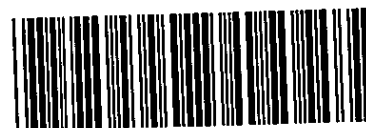
DIRECTORS' REPORT AND ACCOUNTS

for the year ended

31st August 2013

COMPANY REGISTRATION NO: 3574122

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CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Report of the Directors for the year ended 31st August 2013

The directors present their report and accounts for the year ended 31st August 2013

Results, dividends and activities

The principal activity of the company is the manufacture and supply of compound animal feed

The results for the year are shown on the Profit and Loss Account on page 4 The profit before taxation amounts to £4,995,833 on sales of £138,406,508

The directors do not recommend the payment of a dividend for the year

Review of business and future developments

The directors are pleased with the performance of the company Feed sales increased during the year although this was, in part, due to the harsh winter weather

Financial risk management objectives and policies

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable The directors receive regular reports on these figures in order to manage the company's requirements

The company does not actively use financial instruments as part of its financial risk management It is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures The company uses forward contracts to purchase certain raw materials The directors closely monitor current cost price movements in order to manage the risk

Directors

At 31st August 2013 the directors were Mr G M Blake, Mr T Davies, Mr C N C Holmes, Mr R Lucas, Mr D Marshall, Mr P Steeples, Mr R Tomlinson and Mr L L R Whiteley

Mr D Marshall was appointed as director on 14th June 2013 and resigned as director on 22nd October 2013

Mr T Davies was appointed as director on 24th July 2013

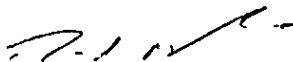
Mr R Lucas was appointed as director on 22nd October 2013

Mr C N C Holmes resigned as director on 24th July 2013

Auditors

Mitchell Charlesworth is deemed to be re-appointed under section 487(2) of the Companies Act 2006

By Order of the Board



MR D MARSHALL

Secretary

Cunard Building
Liverpool L3 1EL

Approved by the directors on 15 November 2013

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Statement of Directors' Responsibilities for the year ended 31st August 2013

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, 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 accounts,

prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware

there is no relevant audit information of which the company's auditors are unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool · L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

We have audited the accounts of Carrs Billington Agriculture (Operations) Limited for the year ended 31st August 2013 on pages 4 to 21 which have been prepared on the basis of the accounting policies set out on pages 8 and 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the accounts

- give a true and fair view of the state of the affairs of the company as at 31st August 2013 and of the profit of the company for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

C H PLUMMER
(Senior Statutory Auditor)

For and on behalf of
MITCHELL CHARLESWORTH
Chartered Accountants
Statutory Auditor

 - 

15 November 2013

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Profit and Loss Account for the year ended 31st August 2013

	Notes	2013 £'000	2012 £'000
Turnover	2	138,406	103,163
Cost of sales		<u>121,954</u>	<u>90,087</u>
Gross profit		16,452	13,076
Sales and distribution costs		9,665	8,529
Administrative expenses		<u>1,568</u>	<u>1,052</u>
Operating Profit	3	5,219	3,495
Interest payable and similar charges	5	<u>223</u>	<u>359</u>
Profit on ordinary activities before taxation		4,996	3,136
Taxation	6	<u>1,157</u>	<u>731</u>
Profit for the year	18	<u>3,839</u>	<u>2,405</u>

The turnover and operating profit are wholly attributable to continuing operations

The notes on pages 8 to 21 form part of these accounts

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Statement of Total Recognised Gains and Losses for the year ended 31st August 2013

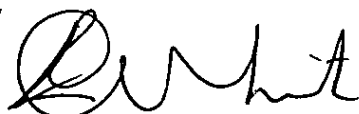
	2013	2012
	£'000	£'000
Profit for the year	3,839	2,405
Actuarial loss on net pension liability	(1,182)	(855)
Deferred tax associated with net pension liability - actuarial loss	278	197
Deferred tax associated with net pension liability - change of rate	(98)	(113)
Total recognised gains and losses relating to the year	2,837	1,634
Prior year adjustment (as explained in note 1)	<u>847</u>	<u> </u>
Total gains and losses recognised since last annual report	<u>3,684</u>	

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Balance Sheet as at 31st August 2013

	Notes	2013 £'000	Restated 2012 £'000
Fixed assets			
Intangible assets	7	-	115
Tangible assets	8	10,884	10,423
Investments	9	<u>70</u>	<u>70</u>
		10,954	10,608
Current assets			
Stock	10	2,348	2,602
Debtors	11	17,484	15,985
Cash at bank and in hand		<u>1</u>	<u>1</u>
		19,833	18,588
Creditors			
Amounts falling due within one year	12	<u>13,870</u>	<u>14,389</u>
Net current assets		5,963	4,199
Total assets less current liabilities		16,917	14,807
Creditors			
Amounts falling due after more than one year	13	2,023	3,083
Provision for liabilities and charges	15	<u>562</u>	<u>666</u>
Net assets excluding pension liabilities		14,332	11,058
Pension liabilities	19	<u>3,174</u>	<u>2,737</u>
Net assets		11,158	8,321
Capital and reserves			
Called up share capital	17	500	500
Profit and loss account	18	<u>10,658</u>	<u>7,821</u>
Total shareholders' funds	18	11,158	8,321

The accounts were approved by the Board of Directors and authorised for issue on 15 November 2013 and are signed on its behalf by



MR L L R WHITELEY
Director

The notes on pages 8 to 21 form part of these accounts

Company Registration No 3574122

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Cash Flow Statement for the year ended 31st August 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	22	4,108	1,686
Returns on investment and servicing of finance			
Interest paid		(223)	(359)
Taxation		(981)	(681)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(2,133)	(1,600)
Proceeds from sale of tangible fixed assets		<u>145</u>	<u>201</u>
		(1,988)	(1,399)
Net cash inflow before financing		916	(753)
Financing			
Loan repayments		(1,000)	(500)
New finance leases		645	987
Capital element of finance lease repayments		<u>(686)</u>	<u>(617)</u>
Net cash outflow from financing		(1,041)	(130)
Decrease in cash in the year	24	(125)	(883)

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

1. Accounting policies

Accounting convention

These accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

Due to actuarial reassessment the pension scheme's assets have increased by £2,500,000 and the liabilities have increased by £1,400,000. The adjustment of £1,100,000 decrease in the net pension liability and a corresponding decrease of £253,000 with regard to the pension liability's deferred tax asset has been entered in the opening 2012 balances for the net pension liability and profit and loss reserves (Pension note 19)

Consolidation

The company was, at the end of the year, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

Goodwill

Goodwill on acquisitions is calculated as the difference between the consideration and fair value of net assets acquired. Goodwill is capitalised in accordance with 'FRS 10 – Goodwill and Intangible assets' and amortised over its useful economic life, assessed at 8 years

Turnover

Turnover, which excludes value added tax, represents the amount receivable for goods and services rendered from the ordinary activities

Depreciation

Depreciation of tangible fixed assets has been calculated to write off the cost of the assets, less their estimated residual value over their estimated useful lives at the following rates

Freehold and long leasehold buildings	5% - 10%
Plant and machinery	10% - 33%
Motor vehicles	14% - 50%

Stocks

Stocks are valued at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes all production overheads and an attributable proportion of indirect overhead expenses

Finance leases

Assets held under finance leases are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest charged to the Profit and Loss Account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantively all of the benefits and risk of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less tax

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 reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the 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

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

1. Accounting policies [continued]

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pension schemes

Contributions in respect of defined contribution pension schemes are charged to the Profit and Loss Account when they become payable.

In accordance with 'FRS 17 – Retirement Benefits', the operating and financing costs of defined benefit pension schemes are recognised separately in the Profit and Loss Account. As the Scheme has ceased to accrue further benefits for its members there are no current service costs. Financing costs are recognised in the Profit and Loss Account in the period in which they arise.

The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in the statement of total recognised gains and losses.

2. Turnover

All turnover relates to one class of business, being the manufacture and supply of compound animal feed within the United Kingdom.

3. Operating profit	2013 £'000	2012 £'000
The operating profit for the year has been arrived at after		
Charging		
Directors' emoluments (see note 4)	229	214
Depreciation	1,755	1,702
Amortisation	115	134
Operating lease charges		
- land and buildings	47	47
- plant and machinery	7	7
- motor vehicles	-	62
Auditors' remuneration		
- audit	13	13
- non-audit	8	8
Crediting		
Profit on disposal of fixed assets	74	58

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

4. Directors' emoluments and employment costs

Directors' emoluments

The aggregate amount of directors' emoluments, including contributions to pension schemes in respect of current service were

	2013 £'000	2012 £'000
Remuneration (including benefits in kind)	198	184
Pension contributions	<u>31</u>	<u>30</u>
	<u>229</u>	<u>214</u>

The above amounts are in respect of one director. All of the other directors are remunerated by the respective investing companies. Charges are raised to reflect the proportionate amount of time spent in the management of the company.

Employees	2013 £'000	2012 £'000
Total cost of employment		
Wages and salaries	4,794	4,516
Social security costs	512	434
Other pension costs	<u>403</u>	<u>333</u>
	<u>5,709</u>	<u>5,283</u>

Average number of employees	2013 Number	2012 Number
Administration and management	9	9
Production	157	157
Sales	<u>4</u>	<u>4</u>
	<u>170</u>	<u>170</u>

5 Interest payable and similar charges

	2013 £'000	2012 £'000
Bank interest payable	36	92
Hire purchase interest	89	91
Group interest	48	55
Net finance charges on pension scheme (see note 19)	<u>50</u>	<u>121</u>
	<u>223</u>	<u>359</u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

6. Taxation

	2013 £'000	2012 £'000
a. Analysis of charge for the year		
Current tax		
Charge for the year	1,086	683
Adjustment in respect of previous year	—	(8)
	1,086	675
Deferred tax		
Origination and reversal of timing differences	71	56
Tax charge on profit on ordinary activities	1,157	731
	<u> </u>	<u> </u>
b Factors affecting the tax charge for the year		
Tax on profit on ordinary activities at the standard rate of corporation tax of 24% (2012 26%)	1,199	815
Effects of		
Expenses not deductible for tax purposes	5	5
Depreciation in excess of capital allowances	81	69
Other timing differences	(180)	(175)
Adjustment in respect of previous year	—	(8)
Tax charged at lower rate	(19)	(31)
	1,086	675
	<u> </u>	<u> </u>

7. Intangible fixed assets

	Goodwill £'000
At 1st September 2012 and at 31st August 2013	1,065
	<u> </u>
Amortisation	
At 1st September 2012	950
Charge for the year	115
At 31st August 2013	1,065
	<u> </u>
Net book amount	
At 31st August 2013	—
	<u> </u>
At 31st August 2012	115
	<u> </u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

8. Tangible fixed assets	Land and Buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1st September 2012	6,270	21,237	27,507
Additions	360	1,917	2,277
Disposals	-	(278)	(278)
At 31st August 2013	6,630	22,876	29,506
Depreciation			
At 1st September 2012	1,587	15,497	17,084
Charge for the year	227	1,528	1,755
Disposals	-	(217)	(217)
At 31st August 2013	1,814	16,808	18,622
Net book amount			
At 31st August 2013	4,816	6,068	10,884
At 31st August 2012	4,683	5,740	10,423

The net book value of land and buildings includes £117,101 (2012 £117,101) of long leasehold property. Land and buildings includes, where applicable, fixed plant which forms an integral part of the building structure.

Plant includes motor vehicles having a net book value of £2,428,727 (2012 £2,427,387).

The net book value of tangible fixed assets includes an amount of £2,262,989 (2012 £2,179,019) in respect of assets held under finance leases, and on which depreciation charged in the year was £561,925 (2012 £477,611).

9. Investments	2013 £'000	2012 £'000
Investments in subsidiary undertakings - Carrs Billington Agriculture (Properties) Limited	70	70

Carrs Billington Agriculture (Properties) Limited which is registered in England and Wales is dormant. It has aggregate capital and reserves of £70,000 (2012 £70,000).

In addition the company holds 100% of the shares of four dormant companies, three of which are registered in England and Wales and one in Scotland. The aggregate capital and reserves of these companies is Nil (2012 Nil).

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

10. Stocks

	2013 £'000	2012 £'000
Raw materials	1,584	1,833
Finished goods and goods for resale	<u>764</u>	<u>769</u>
	2,348	2,602
	<u> </u>	<u> </u>

11. Debtors

	2013 £'000	2012 £'000
Trade debtors	16,691	15,124
Other debtors	328	340
Prepayments and accrued income	455	499
Amounts owed by group undertakings	<u>10</u>	<u>22</u>
	17,484	15,985
	<u> </u>	<u> </u>

12 Creditors - amounts falling due within one year

	2013 £'000	2012 £'000
Bank overdraft	6,087	5,962
Trade creditors	1,414	1,340
Ultimate parent undertaking	2,298	2,512
Subsidiaries and fellow subsidiaries	1,670	2,533
Finance lease obligations	564	545
Other loan	225	-
Other creditors	268	90
Corporation tax	508	403
Accruals and deferred income	<u>836</u>	<u>1,004</u>
	13,870	14,389
	<u> </u>	<u> </u>

The company has given a debenture incorporating a fixed and floating charge over all the assets of the undertaking together with a cross guarantee with Carrs Billington Agriculture (Sales) Limited, Northern Feeds Solutions Limited and Carrs Billington Agriculture (Properties) Limited as security for the collective bank facilities of these companies

13. Creditors - amounts falling due after more than one year

	2013 £'000	2012 £'000
Ultimate parent undertaking	-	775
Other loan	1,000	1,225
Finance lease obligations	<u>1,023</u>	<u>1,083</u>
	2,023	3,083
	<u> </u>	<u> </u>

Details of the parent company loan and the other loan are given in note 20

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

14. Lease obligations

	2013		2012	
	£'000		£'000	
Finance leases				
Amounts falling due				
Within one year		564		545
Within two to five years		<u>1,023</u>		<u>1,083</u>
		<u>1,587</u>		<u>1,628</u>
	Land and buildings		Plant and machinery	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Leasing commitments				
Leases expiring				
Two to five years	-	-	7	7
After five years	<u>47</u>	<u>47</u>	<u>-</u>	<u>-</u>
	<u>47</u>	<u>47</u>	<u>7</u>	<u>7</u>

The lease commitments relate to future annual rentals payable under non-cancellable operating leases

15. Provision for liabilities and charges

	2013	2012
	£'000	£'000
Deferred Taxation		
Accelerated capital allowances	562	666
	<u>562</u>	<u>666</u>
At 1st September 2012	666	787
Profit and loss account charge for the year	71	56
Pension liability - contributions	<u>(175)</u>	<u>(177)</u>
At 31st August 2013	<u>562</u>	<u>666</u>

16 Capital commitments

There were capital commitments at 31st August 2013 amounting to £226,044 (2012 £142,990)

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

17 Share capital of Carrs Billington Agriculture (Operations) Limited

	Authorised		Allotted, called up and fully paid	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Ordinary A shares of £1 each	245	245	245	245
Ordinary B shares of £1 each	<u>255</u>	<u>255</u>	<u>255</u>	<u>255</u>
	500	500	500	500
	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

Each class of shares is entitled to vote and ranks pari passu with the other

18. Reconciliation of movement in shareholders' funds

	Share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1st September 2012 as previously stated	500	6,974	7,474
Prior year adjustment	<u>-</u>	<u>847</u>	<u>847</u>
At 1st September 2012 – restated	500	7,821	8,321
Actuarial loss on net pension liability	-	(1,182)	(1,182)
Deferred tax associated with net pension liability	-	180	180
Profit for the year	<u>-</u>	<u>3,839</u>	<u>3,839</u>
At 31st August 2013	<u>500</u>	<u>10,658</u>	<u>11,158</u>

The Profit and Loss Account of the company is stated after deduction of a net pension deficit of £3,174,000 (2012 £2,737,000 restated)

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

19. Pensions

The company operates a group personal pension scheme for employees. The cost of contributions into the scheme during the year ended 31st August 2013 amounted to £402,950 (2012 £333,169).

Carrs Billington Agriculture (Operations) Limited is the principal employer of the Carrs Billington Agriculture Pension Scheme, a funded defined benefit scheme. The assets of the scheme are held separately from those of the company, and are invested with financial institutions. The scheme ceased to accrue further benefits for its active members with effect from 1st December 2007.

The contributions are determined by qualified actuaries on the basis of triennial valuations using the attained age method of valuation. Contributions paid into the scheme during the year amounted to £800,000. The company has agreed to contribute £800,000 to the scheme during the year to 31st August 2014.

The actuarial valuation was updated to 31st August 2013 by an independent qualified actuary in accordance with 'FRS 17 – Retirement Benefits'. As required by 'FRS 17 – Retirement Benefits', the defined benefit liabilities have been measured using the projected unit method and both the assets and liabilities include the value of pensions in payment, which are secured with insured annuities.

The following table sets out as at 31st August 2013 the fair value of the assets, the present value of the 'FRS 17 – Retirement Benefits' liabilities and the surplus or deficit of assets over the 'FRS 17 – Retirement Benefits' liabilities (which equals the gross pension deficit), which is included in the balance sheet net of deferred tax.

	2013 £'000	Restated 2012 £'000	Restated 2011 £'000	2010 £'000	2009 £'000
Total fair value of assets	26,415	24,591	22,591	19,564	17,903
Present value of liabilities	<u>(30,412)</u>	<u>(28,146)</u>	<u>(25,970)</u>	<u>(25,143)</u>	<u>(22,858)</u>
Gross pension deficit	(3,997)	(3,555)	(3,379)	(5,579)	(4,955)
Deferred tax asset	<u>823</u>	<u>818</u>	<u>911</u>	<u>1,562</u>	<u>1,387</u>
Net pension deficit	<u>(3,174)</u>	<u>(2,737)</u>	<u>(2,168)</u>	<u>(4,017)</u>	<u>(3,568)</u>

The percentages that each major asset category represents of the fair value of the total scheme assets were as shown below:

	2013	2012
Equities	47%	46%
Bonds	39%	48%
Property	4%	5%
Other	<u>10%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

19. Pensions [continued]

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of 5.73% detailed below together with other assumptions.

	2013	Restated
	£'000	2012
		£'000
Actual return on scheme assets	3,517	2,498
	<u> </u>	<u> </u>
Weighted average assumptions used to determine benefit obligations at:	2013	2012
Discount rate	4.60%	4.40%
Weighted average assumptions used to determine net pension cost for the year	2013	2012
Discount rate	4.40%	5.40%
Expected long-term return on scheme assets	4.98%	5.90%
Weighted average life expectancy for mortality tables used to determine benefit obligations at 31st August 2013:	Male	Female
Member age 65 (current life expectancy)	27.70	25.10
Member age 45 (life expectancy at age 65)	24.80	27.50
	2013	Restated
	£'000	2012
		£'000
Changes in the present value of the defined benefit obligations are as follows:		
Benefit obligation at beginning of year	28,146	25,970
Interest cost	1,153	1,292
Actuarial loss	2,206	2,182
Benefits paid	(1,093)	(1,298)
Benefit obligation at end of year	30,412	28,146
	<u> </u>	<u> </u>
Analysis of defined benefit obligation		
Schemes that are wholly or partly funded	30,412	28,146
	<u> </u>	<u> </u>

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

19. Pensions [continued]

	2013 £'000	Restated 2012 £'000
Change in the fair value of scheme assets are as follows:		
Fair value of scheme assets at beginning of year	24,591	22,591
Expected return on scheme assets	1,093	1,171
Actuarial profit	1,024	1,327
Employer contribution	800	800
Benefits paid	(1,093)	(1,298)
Fair value of scheme assets at end of year	26,415	24,591
Analysis of the amount charged to interest payable		
Expected return on pension scheme assets	1,093	1,171
Interest on pension scheme liabilities	(1,153)	(1,292)
Interest on pension scheme liabilities overprovision in prior years	10	-
Net charge in profit and loss account	50	(121)
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)		
Actuarial loss immediately recognised	1,182	855

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses (STRGL) since the implementation of 'FRS 17 – Retirement Benefits' amounts to a loss of £8,590,000 at 31st August 2013

History of experience gains and losses	2013 £'000	Restated 2012 £'000	Restated 2011 £'000	2010 £'000	2009 £'000
Difference between the expected and actual return on the scheme assets	2,424	1,327	249	998	(2,060)
Percentage of scheme assets	9%	6%	1%	5%	(12%)
Experience gains and losses on scheme liabilities	Nil	Nil	Nil	(996)	Nil
Percentage of the present value of the scheme liabilities	Nil	Nil	Nil	(4%)	Nil

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

20. Related party transactions

Details of transactions with Criddle & Co Limited and English Provender Company Limited (subsidiary undertakings of the ultimate parent undertaking) and Edward Billington and Son Limited (ultimate parent undertaking), are as follows

	Edward Billington and Son Limited		Criddle & Co. Limited		English Provender Company Limited	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Sales	55	94	42	218	-	-
Purchases	-	-	109,869	80,819	-	-
Management charges payable	202	163	-	-	3	2
Rent payable	80	23	-	-	-	-
Creditors						
Loans	2,275	3,275	-	-	-	-
Other	23	22	1,670	2,546	-	-
Debtors	3	9	4	12	2	1

The outstanding loans of £2,275,000 (2012 £3,275,000) due to Edward Billington and Son Limited at 31st August 2013, comprise two separate loans. Firstly, £275,000 (2012 £1,275,000) of this balance represents an unsecured, interest free loan which is repayable at the rate of £275,000 (2012 £500,000) per annum. The second, which is included entirely within creditors falling due in less than one year and amounts to £2,000,000 (2012 £2,000,000), is also unsecured, subject to interest at 2.25% over base rate and is repayable on demand.

Edward Billington and Son Limited, has a 49% interest in Carrs Billington Agriculture (Sales) Limited, the remainder of whose shares are owned by Carrs Milling Industries PLC.

Carrs Milling Industries PLC, its joint venture companies Bibby Agriculture Limited and AfgriTech Limited, and five of its subsidiaries, Carrs Billington Agriculture (Sales) Limited, Carrs Agriculture Limited, Carrs Flour Mills Limited, Carrs Engineering Limited and Carrs Properties Limited entered into the following transactions with the company during the year and had outstanding balances as follows:

31st August 2013	Sales £'000	Purchases £'000	Creditors £'000	Debtors £'000
Carrs Milling Industries PLC	3	42	1,234	2
Carrs Billington Agriculture (Sales) Limited	118,836	277	22	15,143
Carrs Agriculture Limited	10	626	48	45
Carrs Flour Mills Limited	2	-	-	1
Carrs Engineering Limited	1	137	6	1
Carrs Properties Limited	-	19	-	-
Bibby Agriculture Limited	18,417	2	-	1,442

The balance of £1,234,000 due to Carrs Milling Industries PLC represents an unsecured, interest free loan of £1,225,000 (2012 £1,225,000) and trade creditors of £8,860 (2012 £972). Whilst there are no set repayment dates, Carrs Milling Industries PLC will seek a repayment of £225,000 within the next 12 months with the remaining balance due in more than one year in accordance with the loan agreement.

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

20. Related party transactions [continued]

31st August 2012	Sales £'000	Purchases £'000	Creditors £'000	Debtors £'000
Carrs Milling Industries PLC	4	15	1,226	1
Carrs Billington Agriculture (Sales) Limited	89,829	199	17	13,840
Carrs Agriculture Limited	1	173	137	52
Carrs Flour Mills Limited	2	-	-	1
Carrs Engineering Limited	2	234	26	1
Carrs Properties Limited	-	19	-	-
Bibby Agriculture Limited	13,223	-	-	1,130
Afgntech Limited	-	379	-	4

21 Ultimate parent undertaking

The ultimate parent undertaking is Edward Billington and Son Limited which is incorporated in England and Wales

The remainder of the company's shares are under the control of Carrs Milling Industries PLC

22 Reconciliation of operating profit to operating cashflows

	2013 £'000	2012 £'000
Operating Profit	5,219	3,495
Depreciation charge	1,755	1,702
Amortisation of goodwill	115	134
Profit on disposal of fixed assets	(74)	(58)
Decrease in stock	254	(340)
Increase in debtors	(1,499)	(3,509)
Increase in creditors	(912)	941
Defined benefit pension scheme contributions	(750)	(679)
Net cash inflow from operating activities	4,108	1,686

CARRS BILLINGTON AGRICULTURE (OPERATIONS) LIMITED

Notes to the Accounts

23 Analysis of changes in net debt

	2012 £'000	Cashflow £'000	Other non- cash changes £'000	2013 £'000
Cash in hand and at bank	1	-	-	1
Bank overdraft	(5,962)	(125)	-	(6,087)
	(5,961)	(125)	-	(6,086)
Loans due within one year	(2,500)	1,000	(1,000)	(2,500)
Loans due after one year	(2,000)	-	1,000	(1,000)
Finance leases	(1,628)	41	-	(1,587)
	(12,089)	916	-	(11,173)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

24 Reconciliation of net cash flow to movement in net debt

	2013 £'000	2012 £'000
Decrease in cash in the year	(125)	(883)
Cash outflow from decrease in debt and lease financing	<u>1,041</u>	<u>130</u>
Movement in net debt in the year	916	(753)
Net debt at 1st September 2012	<u>(12,089)</u>	<u>(11,336)</u>
Net debt at 31st August 2013	<u>(11,173)</u>	<u>(12,089)</u>