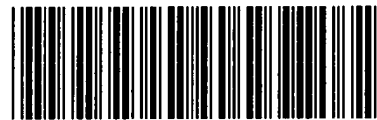


**DUFFIELDS (SOUTH WEST) LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A W Duffield P M Chase M W Raper
<b>Company secretary</b>	P M Chase
<b>Registered number</b>	02691453
<b>Registered office</b>	Babylon View Pen Mill Trading Estate Yeovil Somerset BA21 5HR
<b>Independent auditors</b>	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB

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**DUFFIELDS (SOUTH WEST) LIMITED**

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## DUFFIELDS (SOUTH WEST) LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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The directors present their strategic report for the period ending 26 September 2020.

#### **Principal activities**

The Company's principal activity is that of provender milling and straights trading, and trading in nutritional feedstuffs.

#### **Business review and results**

The directors are pleased with the Company's performance for the period ended 26 September 2020.

Turnover for the period ended 26 September 2020 was £31,988,000 (2019: £33,044,000), with a gross profit of £4,590,000 (2019: £4,968,000). The profit on ordinary activities before taxation was £675,000 (2019: £1,039,000) and the profit after taxation for the financial period amounted to £517,000 (2019: £800,000). Turnover has decreased which is predominantly a reflection of the one mill being closed for the expansion project. The Company's costs have also decreased during the period but this is considered to be appropriate for the decrease in trade during the period.

Net assets at the period end amounted to £3,759,000 (2019: £3,742,000).

Unsurprisingly COVID-19 dominated the year for the Company and its customers. Duffields was identified as part of the food chain on day one of the pandemic which meant all Duffields' employees were classified as key workers and were helping to feed the nation. This classification meant that despite the issues all business activities could remain fully operational and very quickly management implemented a range of measures to ensure the safety of all our staff and customers.

The Directors are so proud of all our staff and customers on how we dealt with the early days of being open in the first lockdown and how we continue to deal with the pandemic's problems today.

The feed industry remains highly competitive in all sectors with threats coming from the uncertainty of COVID-19, weather, Brexit and economic situations to name a few. Against all that background, volumes remain strong at all sites lead by excellent customer service which the Company prides itself on.

During the summer we completed the major expansion of one of our mills at a cost of £2m, with some of this cost being offset by a grant from the RPA. The expansion will future proof the mill and gain some much needed extra capacity to ensure we can meet customer demand for now and the future.

In the past few years, the Company has focused on its delivery blueprint from all its mills. This focus keeps costs under control and ensures the best possible customer service. To help do this, trackers were installed in all lorries to manage routing and planning with the sales force. With a strong financial base our investment in the fleet has never been higher, with the total fleet number continuing to increase during the year.

With the extreme volatility in the raw material markets there is a huge amount of time being spent on raw material management which is very challenging. We are confident the 2020-21 year is forecast for profit at similar levels to 2019-20.

The Directors continue to be 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 Duffields remains one of the leading suppliers of agricultural products and advice to the agricultural industry.

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## DUFFIELDS (SOUTH WEST) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### Key performance indicators

The Directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the Company as a whole, these being turnover, gross profit margin, and balance sheet net assets.

These are discussed within the business review above. The Directors are satisfied that the performance under these is very much in line with expectations.

#### 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. In addition to these we are also facing a period of great uncertainty with the effects of Brexit and COVID-19 impacting upon the wider economy and the operations of the business.

We do not feel the true effects of Brexit have fully materialised yet but the uncertainty surrounding the changes is affecting customer confidence. The risk posed by COVID-19 has continually changed since it started. We have dealt with the risk it has on our customers, the risk to the health of our staff and also the day to day risk to our operations. Despite this we remain confident that our approach to what we control has mitigated these effects and reduced the impact upon our business.

#### 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.

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**DUFFIELDS (SOUTH WEST) LIMITED**

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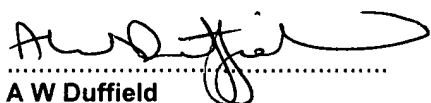
**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**Future Developments**

The Company'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**  
Director

Date: 12 March 2021

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## DUFFIELDS (SOUTH WEST) LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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The directors present their report and the financial statements for the period ended 26 September 2020.

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 these financial statements represent the performance and positions of the company as at 26 September 2020, representing 52 weeks of trading (2019 - 52 weeks).

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The results for the year are presented on page 9.

A dividend was declared on the 14 July 2020 for £500,000 (2019: £500,000).

#### **Directors**

The directors who served during the period were:

A W Duffield  
P M Chase  
M W Raper

#### **Engagement with employees**

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

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**Matters covered in the strategic report**

The following matters are covered in the Company strategic report:

- Principal activities
- Business review and results
- Key Performance Indicators
- Principal risks and uncertainties
- Future developments

**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'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's auditors are aware of that information.

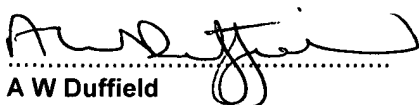
**Post balance sheet events**

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

**Auditors**

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

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

  
A W Duffield  
Director

Date: 12 March 2021



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## DUFFIELDS (SOUTH WEST) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF DUFFIELDS (SOUTH WEST) LIMITED

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#### Opinion

We have audited the financial statements of Duffields (South West) Limited (the 'Company') for the period ended 26 September 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 Company's affairs as at 26 September 2020 and of its 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 Company 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 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

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## **DUFFIELDS (SOUTH WEST) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF DUFFIELDS (SOUTH WEST) LIMITED (CONTINUED)**

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF DUFFIELDS (SOUTH WEST) LIMITED  
(CONTINUED)**

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**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](http://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 member 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 member 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 member 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

Date: 15th March 2021

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DUFFIELDS (SOUTH WEST) LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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	Note	2020 £000	2019 £000
Turnover	4	31,988	33,044
Cost of sales		(27,398)	(28,076)
<b>Gross profit</b>		<b>4,590</b>	<b>4,968</b>
Distribution costs		(2,166)	(2,180)
Administrative expenses		(1,738)	(1,732)
<b>Operating profit</b>		<b>686</b>	<b>1,056</b>
Interest payable and expenses	8	(11)	(17)
<b>Profit before tax</b>		<b>675</b>	<b>1,039</b>
Tax on profit	9	(158)	(239)
<b>Profit for the financial period</b>		<b>517</b>	<b>800</b>

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 13 to 29 form part of these financial statements.

**DUFFIELDS (SOUTH WEST) LIMITED**  
**REGISTERED NUMBER: 02691453**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 26 SEPTEMBER 2020**

	Note	26 September 2020 £000	28 September 2019 £000
<b>Fixed assets</b>			
Intangible assets	11	565	675
Tangible assets	12	3,666	2,633
Investments	13	10	10
		<u>4,241</u>	<u>3,318</u>
<b>Current assets</b>			
Stocks	14	658	572
Debtors: amounts falling due within one year	15	4,204	4,302
Cash at bank and in hand	16	1,225	1,110
		<u>6,087</u>	<u>5,984</u>
Creditors: amounts falling due within one year	17	(5,861)	(5,471)
<b>Net current assets</b>		<u>226</u>	<u>513</u>
<b>Total assets less current liabilities</b>		<u>4,467</u>	<u>3,831</u>
Creditors: amounts falling due after more than one year	18	(539)	-
<b>Provisions for liabilities</b>			
Deferred tax	19	(169)	(89)
		<u>(169)</u>	<u>(89)</u>
<b>Net assets</b>		<u><u>3,759</u></u>	<u><u>3,742</u></u>

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DUFFIELDS (SOUTH WEST) LIMITED  
REGISTERED NUMBER: 02691453

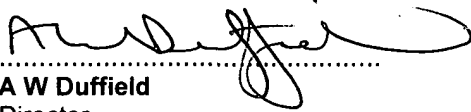
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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 26 SEPTEMBER 2020

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		26 September 2020 £000	28 September 2019 £000
	Note		
<b>Capital and reserves</b>			
Called up share capital	20	1	1
Share premium account	21	60	60
Profit and loss account	21	3,698	3,681
		<u>3,759</u>	<u>3,742</u>

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

  
.....  
**A W Duffield**  
Director

Date: 12 March 2021

The notes on pages 13 to 29 form part of these financial statements.

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 30 September 2018</b>	<b>1</b>	<b>60</b>	<b>3,381</b>	<b>3,442</b>
Profit for the period	-	-	800	800
Dividends: Equity capital	-	-	(500)	(500)
<b>At 28 September 2019</b>	<b>1</b>	<b>60</b>	<b>3,681</b>	<b>3,742</b>
Profit for the period	-	-	517	517
Dividends: Equity capital	-	-	(500)	(500)
<b>At 26 September 2020</b>	<b>1</b>	<b>60</b>	<b>3,698</b>	<b>3,759</b>

The notes on pages 13 to 29 form part of these financial statements.

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## DUFFIELDS (SOUTH WEST) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### 1. General information

Duffields (South West) Limited is a private limited company incorporated in England and Wales. The registered office address is Babylon View, Pen Mill Trading Estate, Yeovil, Somerset, BA21 5HR,

The Company's principal activity is that of provender milling and straights trading, and trading in nutritional feedstuffs.

#### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see Note 3).

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

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Duffields Mills Limited as at 26 September 2020 and these financial statements may be obtained from Companies House.

##### 2.3 Group financial statements

The Company is itself a wholly owned subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.



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## DUFFIELDS (SOUTH WEST) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.4 Going concern

The Group of which this Company is a member has considerable financial resources and continues to trade profitably in the current financial period. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

##### 2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

- Revenue from the provender milling and straight trading is recognised at the point of despatch of the finished goods to the customer.

##### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

##### 2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

##### 2.8 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Company in independently administered funds.

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## DUFFIELDS (SOUTH WEST) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

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## DUFFIELDS (SOUTH WEST) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.10 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 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 and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

###### 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer relationships	-	10	years
Goodwill	-	10	years

##### 2.11 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.

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:

Plant, machinery and transport - 3 to 25 years  
(including office equipment)

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 profit or loss.

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## DUFFIELDS (SOUTH WEST) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.13 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.

##### 2.14 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.

##### 2.15 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.

##### 2.16 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.

##### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 profit or loss in the year that the Company 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.

##### 2.18 Financial instruments

The Company 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.

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## DUFFIELDS (SOUTH WEST) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.18 Financial instruments (continued)

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 Statement of Comprehensive Income.

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.

##### 2.19 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 a general meeting.

#### 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 and 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 & Depreciation

The annual depreciation & amortisation charge for tangible & intangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 2.10 and 2.11 for the rates applied.

#### 4. Turnover

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

	2020 £000	2019 £000
Provender milling and straights trading	31,988	33,044

All turnover arose within the United Kingdom.

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**5. Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>8</u>	<u>8</u>

Auditor's remuneration is paid for by the parent company and recharged to the Company by way of a management charge.

**6. Employees**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>1,888</b>	<b>1,811</b>
Social security costs	<b>199</b>	<b>189</b>
Pension costs	<b>71</b>	<b>73</b>
	<u><b>2,158</b></u>	<u><b>2,073</b></u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Management	<b>3</b>	<b>3</b>
Administration	<b>8</b>	<b>8</b>
Production	<b>21</b>	<b>21</b>
Sales and delivery	<b>21</b>	<b>22</b>
	<u><b>53</b></u>	<u><b>54</b></u>

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**7. Directors' remuneration**

Directors' remuneration includes amounts paid for by the ultimate parent company, Duffields Mills Limited, and recharged from that company by way of a management charge.

	<b>26 September 2020 £000</b>	<b>28 September 2019 £000</b>
Directors' emoluments	<b>295</b>	<b>288</b>
Company contributions to defined contribution pension schemes	<b>6</b>	<b>6</b>
	<b>301</b>	<b>294</b>

During the period retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £183,000 (2019 - £178,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

**8. Interest payable**

	<b>2020 £000</b>	<b>2019 £000</b>
Bank interest payable	-	6
Finance leases and hire purchase contracts	<b>11</b>	<b>11</b>
	<b>11</b>	<b>17</b>

**DUFFIELDS (SOUTH WEST) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

**9. Taxation**

	<b>2020 £000</b>	<b>2019 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	71	160
Adjustments in respect of previous periods	7	-
Group taxation relief	-	50
<b>Total current tax</b>	<b>78</b>	<b>210</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	80	29
<b>Total deferred tax</b>	<b>80</b>	<b>29</b>
<b>Taxation on profit on ordinary activities</b>	<b>158</b>	<b>239</b>
<b>Factors affecting tax charge for the period</b>		

The tax assessed for the period is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	<b>2020 £000</b>	<b>2019 £000</b>
Profit on ordinary activities before tax	675	1,039
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	128	197
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	21	42
Expenses not deductible for tax purposes	2	3
Adjustments to tax charge in respect of prior periods	7	-
Other differences leading to a (decrease) / increase in the tax charge	-	(3)
<b>Total tax charge for the period</b>	<b>158</b>	<b>239</b>



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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**9. Taxation (continued)**

**Factors that may affect future tax charges**

There are no material factors that affect future tax charges.

**10. Dividends**

	<b>26 September 2020 £000</b>	<i>28 September 2019 £000</i>
Dividends paid	<b>500</b>	<i>500</i>

**11. Intangible assets**

	<b>Customer Relationships £000</b>	<b>Goodwill £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 29 September 2019	<b>250</b>	<b>855</b>	<b>1,105</b>
At 26 September 2020	<b>250</b>	<b>855</b>	<b>1,105</b>
<b>Amortisation</b>			
At 29 September 2019	<b>98</b>	<b>332</b>	<b>430</b>
Charge for the period on owned assets	<b>25</b>	<b>85</b>	<b>110</b>
At 26 September 2020	<b>123</b>	<b>417</b>	<b>540</b>
<b>Net book value</b>			
At 26 September 2020	<b>127</b>	<b>438</b>	<b>565</b>
<i>At 28 September 2019</i>	<i>152</i>	<i>523</i>	<i>675</i>

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DUFFIELDS (SOUTH WEST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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12. Tangible fixed assets

	Plant, machinery and transport £000
<b>Cost or valuation</b>	
At 29 September 2019	5,794
Additions	1,500
Disposals	(50)
At 26 September 2020	<u>7,244</u>
<b>Depreciation</b>	
At 29 September 2019	3,161
Charge for the period on owned assets	467
Disposals	(50)
At 26 September 2020	<u>3,578</u>
<b>Net book value</b>	
At 26 September 2020	<u><u>3,666</u></u>
At 28 September 2019	<u><u>2,633</u></u>

Included in the net book value of plant, machinery and transport at 26 September 2020 is £Nil (2019: £800,000) of assets under the course of construction. These assets are not depreciated until they are available for use.

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DUFFIELDS (SOUTH WEST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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13. Fixed asset investments

	Investments in subsidiary undertakings £000
<b>Cost or valuation</b>	
At 29 September 2019	10
At 26 September 2020	<u>10</u>
<b>Net book value</b>	
At 26 September 2020	<u>10</u>
At 28 September 2019	<u>10</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Riverside Feeds Limited	Ordinary	100%

The registered office address of Riverside Feeds Limited is the same as this Company.

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DUFFIELDS (SOUTH WEST) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020

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14. Stocks

	26 September 2020 £000	28 September 2019 £000
Raw materials and consumables	570	492
Finished goods and goods for resale	88	80
	<u>658</u>	<u>572</u>

15. Debtors

	26 September 2020 £000	28 September 2019 £000
Trade debtors	3,757	4,019
Amounts owed by group undertakings	1	-
Other debtors	169	265
Prepayments and accrued income	277	18
	<u>4,204</u>	<u>4,302</u>

An impairment of £24,000 (2019: £26,000), was recognised as an expense against trade debtors in the period.

16. Cash and cash equivalents

	26 September 2020 £000	28 September 2019 £000
Cash at bank and in hand	1,225	1,110

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**17. Creditors: Amounts falling due within one year**

	26 September 2020 £000	28 September 2019 £000
Trade creditors	2,040	2,274
Amounts owed to group undertakings	3,354	2,660
Corporation tax	18	-
Other taxation and social security	53	58
Other creditors	-	2
Accruals and deferred income	396	477
	<u>5,861</u>	<u>5,471</u>

**18. Creditors: Amounts falling due after more than one year**

	26 September 2020 £000	28 September 2019 £000
Accruals and deferred income	539	-
	<u>539</u>	<u>-</u>

**19. Deferred taxation**

	26 September 2020 £000	28 September 2019 £000
At beginning of year	(89)	(60)
Charged to profit or loss	(80)	(29)
At end of year	<u>(169)</u>	<u>(89)</u>

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**19. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	<b>26 September 2020 £000</b>	<b>28 September 2019 £000</b>
Accelerated capital allowances	(179)	(89)
Other timing differences	10	-
	<u>10</u>	<u>-</u>

The amount of the net reversal of deferred tax expected to occur next year is £35,000 (2019: £16,000), relating to the reversal of existing timing differences on tangible fixed assets.

**20. Share capital**

	<b>26 September 2020 £000</b>	<b>28 September 2019 £000</b>
<b>Allotted, called up and fully paid</b>		
1,000 (2019 - 1,000) Ordinary shares of £1.00 each	1	1
4 (2019 - 4) Ordinary A, B, C and D shares of £1.00 each	-	-
	<u>1</u>	<u>1</u>

The Ordinary A,B,C and D shares of £1 each have no voting rights attached but rank pari passu with the Ordinary Shares in all other respects.

**21. Reserves**

**Share premium account**

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

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

**22. Contingent liabilities**

There is a joint and several liability with other group companies under a group VAT registration. At the period end there was an outstanding debtor of £200,000 (2019 - £265,000) due from HMRC in respect of the VAT group.

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**23. Capital commitments**

At 26 September 2020 the Company had capital commitments as follows:

	<b>26 September 2020 £000</b>	<b>28 September 2019 £000</b>
Contracted for but not provided in these financial statements	<b>283</b>	<b>704</b>

**24. Pension commitment**

The assets of the pension scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund. Pension contributions charged to the Statement of Comprehensive Income in the period amounted to £71,000 (2019 - £73,000). At 26 September 2020, the Company had outstanding obligations amounting to £10,000 (2019 - £10,000).

**25. Commitments under operating lease**

At 26 September 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>26 September 2020 £000</b>	<b>28 September 2019 £000</b>
Not later than 1 year	<b>166</b>	<b>142</b>
Later than 1 year and not later than 5 years	<b>487</b>	<b>479</b>
Later than 5 years	<b>121</b>	<b>63</b>
	<b>774</b>	<b>684</b>

**26. Related party transactions**

The Company has taken advantage of the exemptions available under Section 33 of FRS 102, whereby wholly owned subsidiary undertakings do not have to disclose transactions with other wholly owned members of that Group.

The Company took on two new leases in the year with a director for a combined annual rent of £24,000. Rent charged in the period to 26 September 2020 was £8,000 (2019: £Nil) of which £Nil was outstanding at the year end (2019: £Nil).

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**DUFFIELDS (SOUTH WEST) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 26 SEPTEMBER 2020**

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**27. Controlling party**

The parent undertaking of Duffields (South West) Limited is Duffields Mills Limited which is a company registered in England and Wales. Duffields Mills Limited prepares consolidated financial statements in which the results of Duffields (South West) Limited are included. These consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

Duffields Mills Limited is controlled by A W Duffield by virtue of his controlling interest in the voting shares of that company.