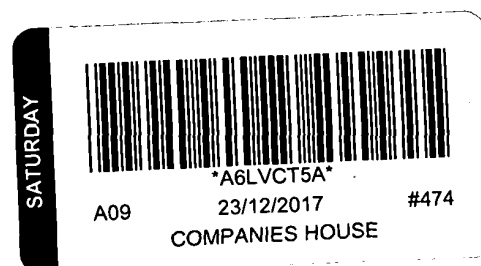


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Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 June 2017
for
Crediton Milling Holdings Ltd



Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2017

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Crediton Milling Holdings Ltd

Company Information
for the Year Ended 30 June 2017

DIRECTORS:

M J Gulley
A T Power
Mrs S L Power

REGISTERED OFFICE:

128 High Street
Crediton
Devon
EX17 3LQ

REGISTERED NUMBER:

08064713 (England and Wales)

AUDITORS:

Bedford & Co Ltd
Statutory Auditors
128 High Street
Crediton
Devon
EX17 3LQ

Crediton Milling Holdings Ltd

Group Strategic Report
for the Year Ended 30 June 2017

The directors present their strategic report of the company and the group for the year ended 30 June 2017.

REVIEW OF BUSINESS

The results for the year and the financial position of the group at the year end were considered satisfactory by the directors, particularly, in view of the competitive market and the risks inherent in the current economic climate. The group recorded a turnover figure of £35,954,446 (2016 - £32,353,493) and reported a pre-tax net profit of £1,488,234 (2016 - £1,366,454).

The group's key objective is to maximise profits which is in line with the objectives of the board. The main strategies in achieving these objectives are the maximisation of sales and gross margins, supported by effective cost management.

PRINCIPAL RISKS AND UNCERTAINTIES

The group manages the liquidity risk by ensuring there are sufficient funds to meet the payments. In respect of trade debtors the group offers credit terms to its customers, subject to assessed limits. There is a general risk that customers will not pay for the products that they have purchased. This risk is managed by group policies concerning the amount of credit offered to customers and then by regular monitoring of amounts outstanding. Trade creditors liquidity risk is managed by ensuring there are sufficient funds are available to meet the amounts due.

The group is also subject to raw material price increases with the risk that profit margins could be materially affected when these increases cannot be passed on to customers. The group will periodically take advantage of buying opportunities in order manage this risk.

There is an overall risk associated with the uncertainty which exists within certain sectors of the farming industry in which the group operates.

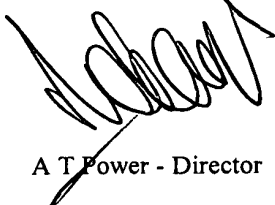
FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to provide funds for the group's operations and to finance the company's trading.

FUTURE DEVELOPMENTS

The group will look to continue its policy of providing the customer with an extensive range of quality products, supported by a highly experienced workforce who are able to offer the necessary technical expertise.

ON BEHALF OF THE BOARD:



A T Power - Director

14 December 2017

Crediton Milling Holdings Ltd

Report of the Directors
for the Year Ended 30 June 2017

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the manufacture and merchandising of animal feedstuffs.

DIVIDENDS

An interim dividend of £21.16 per share was paid. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2017 will be £634,800.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2016 to the date of this report.

M J Gulley
A T Power
Mrs S L Power

DISCLOSURE IN THE STRATEGIC REPORT

The group has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

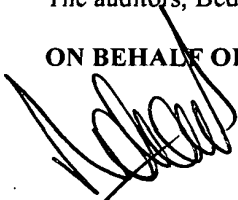
Crediton Milling Holdings Ltd

Report of the Directors
for the Year Ended 30 June 2017

AUDITORS

The auditors, Bedford & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'A.T. Power', is written over the text 'ON BEHALF OF THE BOARD:'.

A.T. Power - Director

14 December 2017

Report of the Independent Auditors to the Members of
Crediton Milling Holdings Ltd

Opinion

We have audited the financial statements of Crediton Milling Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 on pages seven to twenty five. 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).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2017 and of the group's profit 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.

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 UK, including the FRC'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 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Crediton Milling Holdings Ltd

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 Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page three, 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 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.

Our 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 a Report of the Auditors 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 Report of the Auditors.

Mr Andrew Charles Allen Bedford (Senior Statutory Auditor)
for and on behalf of Bedford & Co Ltd
Statutory Auditors
128 High Street
Crediton
Devon
EX17 3LQ

24.6.

Date: 15.12.2017

Crediton Milling Holdings Ltd**Consolidated Statement of Comprehensive Income
for the Year Ended 30 June 2017**

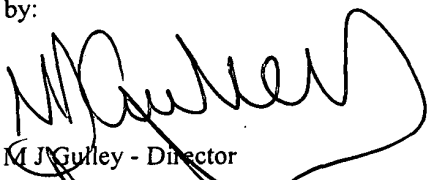
	Notes	30.6.17 £	30.6.16 £
TURNOVER		35,954,446	32,353,493
Cost of sales		<u>26,563,148</u>	<u>23,778,690</u>
GROSS PROFIT		9,391,298	8,574,803
Distribution costs		4,912,625	4,567,368
Administrative expenses		<u>3,023,858</u>	<u>2,670,374</u>
		<u>7,936,483</u>	<u>7,237,742</u>
		1,454,815	1,337,061
Other operating income		<u>33,898</u>	<u>34,674</u>
OPERATING PROFIT	4	1,488,713	1,371,735
Interest receivable and similar income		<u>16,327</u>	<u>6,889</u>
		1,505,040	1,378,624
Interest payable and similar expenses	5	<u>16,806</u>	<u>12,170</u>
PROFIT BEFORE TAXATION		1,488,234	1,366,454
Tax on profit	6	<u>304,384</u>	<u>279,607</u>
PROFIT FOR THE FINANCIAL YEAR		1,183,850	1,086,847
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,183,850</u>	<u>1,086,847</u>
Profit attributable to: Owners of the parent		<u>1,183,850</u>	<u>1,086,847</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,183,850</u>	<u>1,086,847</u>

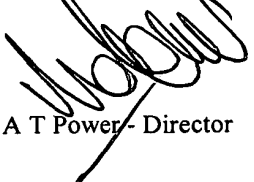
The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2017

	Notes	30.6.17 £	30.6.16 £
FIXED ASSETS			
Tangible assets	9	2,852,130	2,413,046
Investments	10	-	-
Investment property	11	<u>317,953</u>	<u>317,953</u>
		3,170,083	2,730,999
CURRENT ASSETS			
Stocks	12	641,586	554,887
Debtors	13	4,049,407	3,538,673
Cash at bank and in hand		<u>1,695,315</u>	<u>1,560,669</u>
		6,386,308	5,654,229
CREDITORS			
Amounts falling due within one year	14	<u>4,281,624</u>	<u>3,675,792</u>
NET CURRENT ASSETS		<u>2,104,684</u>	<u>1,978,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,274,767	4,709,436
CREDITORS			
Amounts falling due after more than one year	15	(45,369)	(29,479)
PROVISIONS FOR LIABILITIES	19	<u>(138,567)</u>	<u>(138,176)</u>
NET ASSETS		<u>5,090,831</u>	<u>4,541,781</u>
CAPITAL AND RESERVES			
Called up share capital	20	30,000	30,000
Capital redemption reserve	21	19,500	19,500
Other reserves	21	17,632	17,632
Retained earnings	21	<u>5,023,699</u>	<u>4,474,649</u>
SHAREHOLDERS' FUNDS		<u>5,090,831</u>	<u>4,541,781</u>

The financial statements were approved by the Board of Directors on 14 December 2017 and were signed on its behalf by:


M J Gulley - Director

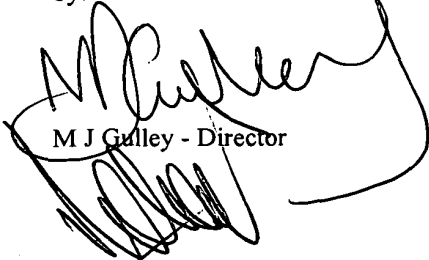

A T Power - Director

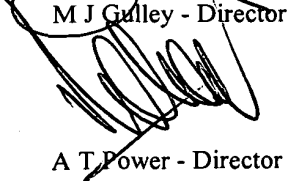
The notes form part of these financial statements

Company Balance Sheet
30 June 2017

	Notes	30.6.17 £	30.6.16 £
FIXED ASSETS			
Tangible assets	9	2,090,688	2,103,346
Investments	10	29,700	29,700
Investment property	11	<u>317,953</u>	<u>317,953</u>
		2,438,341	2,450,999
CURRENT ASSETS			
Debtors	13	526,039	216,560
Cash in hand		<u>300</u>	<u>300</u>
		526,339	216,860
CREDITORS			
Amounts falling due within one year	14	<u>14,316</u>	<u>13,481</u>
NET CURRENT ASSETS		<u>512,023</u>	<u>203,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,950,364</u>	<u>2,654,378</u>
CAPITAL AND RESERVES			
Called up share capital	20	30,000	30,000
Retained earnings	21	<u>2,920,364</u>	<u>2,624,378</u>
SHAREHOLDERS' FUNDS		<u>2,950,364</u>	<u>2,654,378</u>
Company's profit for the financial year		<u>930,786</u>	<u>883,033</u>

The financial statements were approved by the Board of Directors on 14 December 2017 and were signed on its behalf by:


M J Gulley - Director


A T Power - Director

Crediton Milling Holdings Ltd**Consolidated Statement of Changes in Equity**
for the Year Ended 30 June 2017

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 July 2015	30,000	4,080,802	19,500	17,632	4,147,934
Changes in equity					
Dividends	-	(693,000)	-	-	(693,000)
Total comprehensive income	-	1,086,847	-	-	1,086,847
Balance at 30 June 2016	<u>30,000</u>	<u>4,474,649</u>	<u>19,500</u>	<u>17,632</u>	<u>4,541,781</u>
Changes in equity					
Dividends	-	(634,800)	-	-	(634,800)
Total comprehensive income	-	1,183,850	-	-	1,183,850
Balance at 30 June 2017	<u>30,000</u>	<u>5,023,699</u>	<u>19,500</u>	<u>17,632</u>	<u>5,090,831</u>

The notes form part of these financial statements

Crediton Milling Holdings Ltd

Company Statement of Changes in Equity
for the Year Ended 30 June 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2015	30,000	2,434,345	2,464,345
Changes in equity			
Dividends	-	(693,000)	(693,000)
Total comprehensive income	-	883,033	883,033
Balance at 30 June 2016	<u>30,000</u>	<u>2,624,378</u>	<u>2,654,378</u>
Changes in equity			
Dividends	-	(634,800)	(634,800)
Total comprehensive income	-	930,786	930,786
Balance at 30 June 2017	<u>30,000</u>	<u>2,920,364</u>	<u>2,950,364</u>

The notes form part of these financial statements

Crediton Milling Holdings Ltd**Consolidated Cash Flow Statement
for the Year Ended 30 June 2017**

	Notes	30.6.17 £	30.6.16 £
Cash flows from operating activities			
Cash generated from operations	1	1,812,798	1,470,735
Interest paid		(5,335)	(4,015)
Interest element of hire purchase payments paid		(11,471)	(8,155)
Tax paid		<u>(259,882)</u>	<u>(223,980)</u>
Net cash from operating activities		<u>1,536,110</u>	<u>1,234,585</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(879,303)	(502,646)
Sale of tangible fixed assets		35,460	11,400
Interest received		<u>16,327</u>	<u>6,889</u>
Net cash from investing activities		<u>(827,516)</u>	<u>(484,357)</u>
 Cash flows from financing activities			
Bank loans repaid in the year		-	(99,152)
Amount introduced by directors		133	1,159
Hire purchase and finance lease advance		315,660	71,434
Hire purchase and finance lease repaid		(254,941)	(152,041)
Equity dividends paid		<u>(634,800)</u>	<u>(693,000)</u>
Net cash from financing activities		<u>(573,948)</u>	<u>(871,600)</u>
 Increase/(decrease) in cash and cash equivalents		<u>134,646</u>	<u>(121,372)</u>
Cash and cash equivalents at beginning of year	2	<u>1,560,669</u>	<u>1,682,041</u>
 Cash and cash equivalents at end of year	2	<u><u>1,695,315</u></u>	<u><u>1,560,669</u></u>

The notes form part of these financial statements

Crediton Milling Holdings Ltd

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.17	30.6.16
	£	£
Profit before taxation	1,488,234	1,366,454
Depreciation charges	407,471	343,658
(Profit)/loss on disposal of fixed assets	(2,712)	14,284
Finance costs	16,806	12,170
Finance income	(16,327)	(6,889)
	<u>1,893,472</u>	<u>1,729,677</u>
Increase in stocks	(86,699)	(72,750)
Increase in trade and other debtors	(510,734)	(314,479)
Increase in trade and other creditors	<u>516,759</u>	<u>128,287</u>
Cash generated from operations	<u><u>1,812,798</u></u>	<u><u>1,470,735</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	<u><u>1,695,315</u></u>	<u><u>1,560,669</u></u>

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	<u><u>1,560,669</u></u>	<u><u>1,682,041</u></u>

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2017

1. STATUTORY INFORMATION

Crediton Milling Holdings Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency is £ sterling.

Basis of consolidation

The financial statements consolidate the accounts of Crediton Milling Holdings Ltd and its subsidiary Crediton Milling Company Ltd. The financial statements have been consolidated using the merger accounting method under FRS102.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

No significant judgements have been made by management in preparing these financial statements.

Income recognition

Turnover is measured at the fair value of the consideration received or receivable from the sale of goods, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when goods are delivered to customers such that risks and rewards of ownership have been transferred to them.

Tangible fixed assets

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using both the straight line and reducing balance methods. The rates applicable are;

Land - not provided

Freehold buildings - 2% on cost

Plant and machinery - 25% reducing balance

Weighbridge - 25% reducing balance

Motor vehicles - 25% reducing balance

Computer and office equipment - 25% reducing balance

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation, which are initially measured at cost, including transaction costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

Investment properties whose fair value cannot be measured reliably without undue cost or effort on an on-going basis are included in tangible fixed assets at cost less accumulated depreciation and accumulated impairment losses.

Stocks

Stocks have been valued at the lower of cost and estimated selling price less costs to complete and sell.

Cost is calculated on a first in first out basis.

In respect of finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture/completion.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account in the period in which they are incurred.

Other short term employee benefits are also recognised as an expense in the period in which they are incurred.

Financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks.

Trade debtors, creditors and other accounts receivable and payable are recognised at transaction price. Amounts receivable or payable within one year continue to be measured, after their initial recognition, at the undiscounted amount of cash or other consideration expected to be received or paid.

Loans which bear a market rate of interest are also recognised at transaction price which is the amount received. These loans, after initial recognition, are measured at amortised cost using the effective rate method.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017****3. EMPLOYEES AND DIRECTORS**

	30.6.17	30.6.16
	£	£
Wages and salaries	2,181,333	1,866,144
Social security costs	237,574	191,875
Other pension costs	<u>184,910</u>	<u>165,339</u>
	<u>2,603,817</u>	<u>2,223,358</u>

The average monthly number of employees during the year was as follows:

	30.6.17	30.6.16
Management and administration	10	7
Mill and transport	40	31
Sales	<u>14</u>	<u>15</u>
	<u>64</u>	<u>53</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 64.

	30.6.17	30.6.16
	£	£
Directors' remuneration	401,416	380,932
Directors' pension contributions to money purchase schemes	<u>172,221</u>	<u>155,862</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	30.6.17	30.6.16
	£	£
Emoluments etc	<u>90,117</u>	<u>101,099</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.17	30.6.16
	£	£
Depreciation	407,471	343,658
(Profit)/loss on disposal of fixed assets	(2,712)	14,284
Auditors' remuneration	<u>10,850</u>	<u>10,465</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017****5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.6.17	30.6.16
	£	£
Bank interest	3,898	1,983
Bank loan interest	-	2,032
Other interest	1,437	-
Hire purchase	<u>11,471</u>	<u>8,155</u>
	<u>16,806</u>	<u>12,170</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.6.17	30.6.16
	£	£
Current tax:		
UK corporation tax	303,993	259,882
Deferred tax	<u>391</u>	<u>19,725</u>
Tax on profit	<u>304,384</u>	<u>279,607</u>

UK corporation tax has been charged at 19.75% (2016 - 20%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.17	30.6.16
	£	£
Profit before tax	<u>1,488,234</u>	<u>1,366,454</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	293,926	273,291
Effects of:		
Expenses not deductible for tax purposes	9,685	8,066
Capital allowances in excess of depreciation	(2,118)	(24,007)
Depreciation on non qualifying assets	<u>2,500</u>	<u>2,532</u>
Total tax charge	<u>303,993</u>	<u>259,882</u>

The main rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 19.75%.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	30.6.17 £	30.6.16 £
Ordinary shares of £1 each		
Interim	<u>634,800</u>	<u>693,000</u>

9. TANGIBLE FIXED ASSETS**Group**

	Freehold land and buildings £	Plant and machinery £	Weighbridge £
COST			
At 1 July 2016	1,274,445	3,260,417	55,610
Additions	<u>-</u>	<u>471,354</u>	<u>-</u>
At 30 June 2017	<u>1,274,445</u>	<u>3,731,771</u>	<u>55,610</u>
DEPRECIATION			
At 1 July 2016	91,924	2,515,630	49,376
Charge for year	12,658	252,714	1,559
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2017	<u>104,582</u>	<u>2,768,344</u>	<u>50,935</u>
NET BOOK VALUE			
At 30 June 2017	<u>1,169,863</u>	<u>963,427</u>	<u>4,675</u>
At 30 June 2016	<u>1,182,521</u>	<u>744,787</u>	<u>6,234</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017**

9. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Computer and office equipment £	Totals £
COST			
At 1 July 2016	1,369,073	81,296	6,040,841
Additions	407,949	-	879,303
Disposals	(110,474)	-	(110,474)
At 30 June 2017	<u>1,666,548</u>	<u>81,296</u>	<u>6,809,670</u>
DEPRECIATION			
At 1 July 2016	895,313	75,552	3,627,795
Charge for year	139,104	1,436	407,471
Eliminated on disposal	(77,726)	-	(77,726)
At 30 June 2017	<u>956,691</u>	<u>76,988</u>	<u>3,957,540</u>
NET BOOK VALUE			
At 30 June 2017	<u>709,857</u>	<u>4,308</u>	<u>2,852,130</u>
At 30 June 2016	<u>473,760</u>	<u>5,744</u>	<u>2,413,046</u>

Included in cost of land and buildings is freehold land of £641,546 (2016 - £641,546) which is not depreciated.

Included in the above figures are assets under hire purchase and finance lease agreements with a net book value of £381,427 (2016 - £277,605). The depreciation charged on these assets during the year was £65,296 (2016 - £75,715).

Company

	Freehold land and buildings £
COST	
At 1 July 2016 and 30 June 2017	<u>2,153,978</u>
DEPRECIATION	
At 1 July 2016	50,632
Charge for year	<u>12,658</u>
At 30 June 2017	<u>63,290</u>
NET BOOK VALUE	
At 30 June 2017	<u>2,090,688</u>
At 30 June 2016	<u>2,103,346</u>

Included in cost of land and buildings is freehold land of £744,561 (2016 - £744,561) which is not depreciated.

Crediton Milling Holdings Ltd**Notes to the Consolidated Financial Statements - continued**
for the Year Ended 30 June 2017**10. FIXED ASSET INVESTMENTS****Company**Shares in
group
undertakings
£**COST**At 1 July 2016
and 30 June 201729,700**NET BOOK VALUE**

At 30 June 2017

29,700

At 30 June 2016

29,700

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary**Crediton Milling Company Ltd**

Registered office: 128 High Street, Crediton, Devon, EX17 3LQ.

Nature of business: Manufacture and merchandising of animal feedstuffs.

Class of shares:	% holding
Ordinary	100.00

30.6.17

30.6.16

£

£

Aggregate capital and reserves

3,090,993

2,837,928

Profit for the year

1,179,3151,082,019**11. INVESTMENT PROPERTY****Group**Total
£**FAIR VALUE**At 1 July 2016
and 30 June 2017317,953**NET BOOK VALUE**

At 30 June 2017

317,953

At 30 June 2016

317,953

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017**

11. INVESTMENT PROPERTY - continued

Company	Total £
FAIR VALUE	
At 1 July 2016 and 30 June 2017	<u>317,953</u>
NET BOOK VALUE	
At 30 June 2017	<u>317,953</u>
At 30 June 2016	<u>317,953</u>

The property is stated at fair value, following an assessment by the director Mr M J Gulley, who is not a professionally qualified valuer. The historical cost figure for the above property is £317,953.

12. STOCKS

	Group	
	30.6.17 £	30.6.16 £
Raw materials and consumables	385,639	312,316
Finished goods and goods for re-sale	<u>255,947</u>	<u>242,571</u>
	<u>641,586</u>	<u>554,887</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	30.6.17 £	30.6.16 £	30.6.17 £
Trade debtors	3,866,236	3,302,368	24,933
Amounts owed from group undertakings	-	-	501,106
Other debtors	108,376	91,035	-
Prepayments	<u>74,795</u>	<u>145,270</u>	<u>-</u>
	<u>4,049,407</u>	<u>3,538,673</u>	<u>526,039</u>
	<u>4,049,407</u>	<u>3,538,673</u>	<u>526,039</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	
	30.6.17 £	30.6.16 £	30.6.17 £
Hire purchase contracts (see note 16)	187,309	142,480	-
Trade creditors	3,653,554	3,166,335	-
Tax	303,993	259,882	4,232
Social security and other taxes	90,064	76,370	-
Other creditors	1,903	1,837	1,903
Directors' current accounts	3,806	3,673	3,806
Accrued expenses	<u>40,995</u>	<u>25,215</u>	<u>4,375</u>
	<u>4,281,624</u>	<u>3,675,792</u>	<u>14,316</u>
	<u>4,281,624</u>	<u>3,675,792</u>	<u>14,316</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017**

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	30.6.17	30.6.16
	£	£
Hire purchase contracts (see note 16)	<u>45,369</u>	<u>29,479</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.6.17	30.6.16
	£	£
Gross obligations repayable:		
Within one year	194,393	147,947
Between one and five years	<u>47,006</u>	<u>30,742</u>
	<u>241,399</u>	<u>178,689</u>
Finance charges repayable:		
Within one year	7,084	5,467
Between one and five years	<u>1,637</u>	<u>1,263</u>
	<u>8,721</u>	<u>6,730</u>
Net obligations repayable:		
Within one year	187,309	142,480
Between one and five years	<u>45,369</u>	<u>29,479</u>
	<u>232,678</u>	<u>171,959</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	30.6.17	30.6.16
	£	£
Hire purchase contracts	<u>232,678</u>	<u>171,959</u>

The group's bankers hold an unlimited cross guarantee given by Crediton Milling Holdings Ltd as security against the borrowings of Crediton Milling Company Ltd. The bank also holds a charge against other group assets by means of a debenture.

The hire purchase contracts are secured against various tangible fixed assets.

18. FINANCIAL INSTRUMENTS

Information concerning the risks associated with financial instruments is included within the company's Strategic Report.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

19. PROVISIONS FOR LIABILITIES

	Group	
	30.6.17	30.6.16
	£	£
Deferred tax		
Balance brought forward	138,176	118,451
Accelerated capital allowances	<u>391</u>	<u>19,725</u>
	<u>138,567</u>	<u>138,176</u>

Group

	Deferred tax £
Balance at 1 July 2016	138,176
Credit to Statement of Comprehensive Income during year	<u>391</u>
Balance at 30 June 2017	<u>138,567</u>

The deferred tax liability is in respect of accelerated capital allowances.

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.6.17	30.6.16
			£	£
30,000	Ordinary	£1	<u>30,000</u>	<u>30,000</u>

Each share is entitled to one vote in any circumstances and each share is also entitled pari passu to dividend payments or any other distribution, including a distribution arising from a winding up of the company.

21. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1 July 2016	4,474,649	19,500	17,632	4,511,781
Profit for the year	1,183,850			1,183,850
Dividends	<u>(634,800)</u>			<u>(634,800)</u>
At 30 June 2017	<u>5,023,699</u>	<u>19,500</u>	<u>17,632</u>	<u>5,060,831</u>

Crediton Milling Holdings Ltd**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017****21. RESERVES - continued****Company**

	Retained earnings £
At 1 July 2016	2,624,378
Profit for the year	930,786
Dividends	<u>(634,800)</u>
At 30 June 2017	<u><u>2,920,364</u></u>

22. CAPITAL COMMITMENTS

	30.6.17 £	30.6.16 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>225,000</u>

23. RELATED PARTY DISCLOSURES**Group****Other related parties**

	30.6.17 £	30.6.16 £
Sales	116,785	102,425
Purchases	303,090	322,213
Fixed assets	48,000	-
Services	49,829	49,829
Advances	25,000	-
Amount due from related party	58,258	33,781
Amount due to related party	<u>9,975</u>	<u>9,237</u>

The above figures relate to transactions with entities in which key management and close family members have a controlling interest.

Group/Company**Key management personnel of the entity or its parent (in the aggregate)**

	30.6.17 £	30.6.16 £
Rents received	9,600	9,600
Dividends paid	634,800	693,000
Amounts due to related party	<u>5,709</u>	<u>5,510</u>

Crediton Milling Holdings Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

24. ULTIMATE CONTROLLING PARTY

The group is controlled by the directors Mr M J Gulley and Mrs S L Power who own 66.67% of the issued share capital of Crediton Milling Holdings Ltd.