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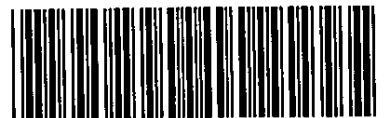
**Edward Billington and Son Limited
and Subsidiaries**

Annual Report and Accounts

For the year ended 31st August 2012

Company Registration Number 59883

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Edward Billington and Son Limited and Subsidiaries

Annual Report and Accounts

For the year ended 31st August 2012

CONTENTS

Directors' Report	1
Statement of Directors' Responsibilities	4
Independent Auditors' Report to the Members of Edward Billington and Son Limited	5
Consolidated Profit and Loss Account	6
Balance Sheets	7
Consolidated Statement of Total Recognised Gains and Losses	8
Consolidated Cash Flow Statement	9
Notes to the Accounts	10

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the year ended 31st August 2012

The directors present their report to the shareholders together with the audited accounts for the year ended 31st August 2012

Profits, dividends and retentions

The results for the year are shown on the Consolidated Profit and Loss Account on page 6

The profit on ordinary activities of the group, before taxation and minority interests, amounts to £28,583,372 (2011 £12,592,180)

Dividends of 75 90% (2011 69%) together with special dividends of 200% (2011 0%) are proposed for approval at the forthcoming Annual General Meeting. These are not shown as a deduction against this year's reserves, but instead will fall into the 31st August 2013 accounts when they are paid. Dividends of £1,284,269 which were proposed in the previous year's accounts have been paid during the year.

Review of the principal activities of the business

The principal activities of the group during the year were the manufacture, merchandising and distribution of food, animal feed and other agricultural products and the trading of agricultural commodities.

The group's turnover was £253,577,794 (2011 £238,907,226). These figures exclude the turnover of Wholesome Sweeteners Inc. which increased by 36% during 2012 to £98,895,122.

English Provender increased sales by 7% in 2012 but saw some further margin erosion due to the difficulty of passing on higher raw material prices in the current environment.

Criddle & Co performed well in the year, although profits were not as high as the exceptionally good results seen in 2011. Commodity markets during the early part of the 2012 financial year were very subdued and the company's performance reflected this. However the latter half of the year saw high levels of market volatility, which Criddle capitalised on, resulting in an excellent performance for the year as a whole. This strong performance has continued during the early part of the 2013 financial year.

Carrs Billington Agriculture performed to expectation. Compound feed margins were adversely affected by the substantial increase in raw material prices, which are now showing some signs of easing. Machinery and Retail sales continued to show excellent growth and fuel sales volumes were maintained, despite the mild winter.

Wholesome Sweeteners Inc. continued to grow both sales and profits and in April 2012 the group realised part of the value created in the company by disposing of its interest in Wholesome Sweeteners Inc. and reinvesting in a new venture, WSO Holdings LP. The transaction is explained more in notes 6 and 12 but the key points are that the group realised a profit on sale of £15,488,268 and received cash of £23,001,725, most of which will be reinvested to grow the group's UK operations. Following this restructure, the group now owns 26% of Wholesome Sweeteners Inc. through its investment in WSO Holdings LP.

In October 2012 the group acquired Bar and Restaurant Foods Limited, the Newport based manufacturer of high quality sauces, soups and recipe dish products for the food service sector.

Overall, the directors are delighted with the performance of the group in 2012. A pre-tax profit of £11,518,000 was achieved (before the exceptional profit on Wholesome and excluding minority interests) which represents a return on shareholders' funds of 28.6% for the Edward Billington & Son Limited shareholders.

The 2013 financial year has started well and we are trading ahead of budget. Bar and Restaurant Foods has performed well since its acquisition and is expected to make a useful contribution to the group's profits in 2013.

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the year ended 31st August 2012 [Continued]

Financial risk management objectives and policies

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

The group is exposed to normal credit and cash flow risks associated with selling on credit and manages this through credit control procedures.

Criddle & Co. Limited trades mainly in animal feed commodities and enters into fixed price contracts to be taken up at a future date. The majority of the price risk associated with such trading is mitigated by matching sales and purchase contracts. Futures contracts are also used to minimise market risk. The directors closely monitor current cost price movements in order to manage the risk.

Wholesome Sweeteners Inc., is a company incorporated in the USA and the US Dollar is therefore its functional currency. The group's consolidated accounts together with the value of remittances from the USA are subject to foreign exchange risk. The directors continually monitor this risk and consider that the level of risk is acceptable.

Employees

The group has continued to follow the requirements of the Health & Safety at Work Act with concern for the welfare of its employees.

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

The group provides employees with information about the company through internal media methods and newsletters.

Policy on payment of creditors

Creditors are paid in accordance with terms of business agreed with suppliers.

Given the varied nature of the group's activities and agreed terms with suppliers, the directors have not calculated an average creditor day figure for the group as a whole on the basis that such a statement would not be beneficial.

Climate change

The group is committed to reducing carbon emissions wherever possible and is working with The Carbon Trust to ensure that the group make optimum use of energy at all the factories.

Edward Billington and Son Limited and Subsidiaries

Directors' Report

For the year ended 31st August 2012 [Continued]

Directors and directors' interests

The members of the Board of Directors at 31st August 2012, together with details of their interests in the share capital of Edward Billington and Son Limited, are shown below

	Ordinary shares of £1 each		Preferred ordinary shares of £1 each	
	2012	2011	2012	2011
E W Billington	68,726	68,726	18,454	18,454
G M Blake	50	50	2,206	2,206
M R Cashin	2,625	2,625	21,020	21,170
D Marshall	99	99	8,050	8,050
R R Toomey	12,559	13,259	3,730	3,730
L L R Whiteley	118,774	118,774	33,095	33,095

The holding of ordinary shares of Mr E W Billington and Mr L L R Whiteley stated above includes 26,672 2007 'A' ordinary shares and 31,200 2007 'B' ordinary shares respectively

Mr L L R Whiteley and Mr G M Blake retire by rotation and, being eligible, offer themselves for re-election

Dr R R Toomey resigned as a director on 1st September 2012

Charitable donations

During the year the group contributed £43,093 for charitable purposes (2011 £11,800)

Insurance of directors

The company provides insurance for its directors in respect of their duties as directors of the group

Auditors

Mitchell Charlesworth are willing to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting

By order of the Board



David Marshall
Secretary

Cunard Building
Liverpool L3 1EL

Approved by the Board of Directors on 14th January 2013

Edward Billington and Son Limited and Subsidiaries

Statement of Directors' Responsibilities

For the year ended 31st August 2012

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

In so far as the directors are aware

- there is no relevant audit information of which the group's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

Independent Auditors' Report to the Members of Edward Billington and Son Limited

We have audited the accounts of Edward Billington and Son Limited for the year ended 31st August 2012 on pages 6 to 34 which have been prepared on the basis of the accounting policies set out on pages 10 and 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion

In our opinion the accounts

- give a true and fair view of the state of the affairs of the group and company as at 31st August 2012 and of the profit of the group for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

PHILIP GRIFFITHS FCA
(Senior Statutory Auditor)
For and on behalf of
MITCHELL CHARLESWORTH
Chartered Accountants
Statutory Auditor



14th January 2013

Edward Billington and Son Limited and Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31st August 2012

	Notes	Total 2012 £'000	Total 2011 £'000
Turnover	2	253,578	238,907
Cost of sales		(221,677)	(204,994)
Gross profit		31,901	33,913
Distribution costs		(11,652)	(12,058)
Administrative expenses		(13,672)	(15,838)
Operating profit	3	6,577	6,017
Share of operating results of associates and joint venture	5	7,743	7,341
Exceptional item	6	15,488	-
Profit on ordinary activities before interest		29,808	13,358
Net interest paid	7	(1,225)	(766)
Profit on ordinary activities before taxation		28,583	12,592
Taxation	8	(4,042)	(4,027)
Profit on ordinary activities after taxation		24,541	8,565
Minority interests	19	(1,219)	(1,464)
Profit attributable to the members of the holding company	21	23,322	7,101

The notes on pages 10 to 34 form part of these accounts

The turnover and operating profit are wholly attributable to continuing operations

Dividends amounting to £5,135,216 (2011 £1,284,269) are proposed for the year and are detailed in note 9

Edward Billington and Son Limited and Subsidiaries

Balance Sheets

As at 31st August 2012

	Notes	Group		Company	
		2012 £'000	2011 £'000	2012 £'000	2011 £'000
Fixed assets					
Tangible assets	10	21,693	21,398	1,048	981
Intangible assets	11	4,063	5,088	3,948	4,922
Investments	12	12,325	15,100	8,459	8,483
		38,081	41,586	13,455	14,386
Current assets					
Stocks	13	12,554	12,076	193	147
Debtors	14	36,274	31,541	11,456	12,577
Cash at bank and in hand		27,724	4,542	21,439	122
		76,552	48,159	33,088	12,846
Creditors					
Amounts falling due within one year	15	(40,466)	(37,389)	(10,718)	(11,292)
Net current assets		36,086	10,770	22,370	1,554
Total assets less current liabilities		74,167	52,356	35,825	15,940
Creditors					
Amounts falling due after more than one year	16	(2,308)	(1,957)	-	-
Provision for liabilities and charges	19	(4,964)	(4,688)	(482)	(482)
Net assets excluding pension liabilities		66,895	45,711	35,343	15,458
Pension liabilities	25	(7,360)	(5,473)	(3,776)	(2,158)
		59,535	40,238	31,567	13,300
Capital and reserves					
Called up share capital	20	1,861	1,861	1,861	1,861
Share premium account	21	87	87	87	87
Revaluation reserve	21	434	434	434	434
Capital reserves	21	2,776	2,776	644	644
Other reserves	21	218	218	218	218
Profit and loss account	21	54,159	34,862	28,323	10,056
Total shareholders' funds	22	59,535	40,238	31,567	13,300

Approved by the Board of Directors and authorised for issue on 14th January 2013 and are signed on its behalf by

Lloyd Whiteley
Director




Gary Blake
Director

The notes on pages 10 to 34 form part of these accounts

Company Registration No 59883

Edward Billington and Son Limited and Subsidiaries

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31st August 2012

	2012 £'000	2011 £'000
Profit for the year	23,322	7,101
Actuarial loss on net pension liabilities	(3,587)	3,387
Deferred tax movement associated with net pension liabilities	714	(994)
Exchange differences	132	(272)
Total recognised gains and losses relating to the year	20,581	9,222

Edward Billington and Son Limited and Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31st August 2012

	Notes	2012 £'000	2011 £'000
Cash flow from operating activities	28	5,667	4,934
Returns on investments and servicing of finance			
Interest received		199	30
Interest paid		(278)	(413)
Finance lease interest		(91)	(82)
		(170)	(465)
Taxation		(1,971)	(646)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3,476)	(4,331)
Disposal of tangible fixed assets		215	142
Purchase of trade investment		(41)	-
Disposal of interest in joint venture		23,001	-
		19,699	(4,189)
Equity dividends paid		(1,284)	(651)
Cash inflow before debt financing		21,941	(1,017)
Debt financing			
Loan repayments		(48)	(500)
New finance leases		987	881
Capital element of finance lease repayments		(617)	(632)
		322	(251)
Increase in cash in the year	29	22,263	(1,268)

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts

For the year ended 31st August 2012

1 Accounting policies

The group accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets referred to in note 10

Basis of preparation

The consolidated accounts, which have been prepared in accordance with applicable Accounting Standards, incorporate the accounts of Edward Billington and Son Limited and subsidiaries

Subsidiary undertakings are accounted for using acquisition accounting

Joint ventures and associated undertakings are accounted for using the equity method of accounting. The group's share of their results are included in the Consolidated Profit and Loss Account and its interest in their net assets, together with any goodwill arising on acquisition, is included in investments in the Consolidated Balance Sheet. Where necessary, adjustments are made to the accounts of joint ventures and associated undertakings to bring the accounting policies used in line with those of the group.

Goodwill

Goodwill on acquisitions is capitalised as an intangible asset and amortised on a straight line basis over an estimated useful life of not more than ten years.

Negative goodwill is also capitalised on the Balance Sheet. Negative goodwill up to the value of non-monetary assets acquired is amortised to the Profit and Loss Account over the period which those assets are recovered, whether through depreciation or sale. The directors consider that the associated assets are now fully recovered and therefore the balance of negative goodwill has been credited to the Profit and Loss Account.

Turnover

Turnover represents the aggregate amount receivable from ordinary activities excluding value added tax and inter-group transactions.

Tangible fixed assets and depreciation

The group's policy is to carry all assets at historical cost, except for tangible fixed assets used in the group's trade, which are included in the Balance Sheet at a valuation existing on 30th April 2000 when the group implemented FRS 15 for the first time, and investment properties as noted below.

Depreciation of tangible fixed assets, other than freehold land, has been calculated to write off the cost or valuation of the assets, less their estimated residual value over their estimated useful lives at the following rates:

Freehold and long leasehold buildings	2% to 10%
Short leasehold buildings	10% to 33%
Plant and machinery	10% to 50%
Motor vehicles	14% to 33%

Investment properties and revaluation reserve

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the Profit and Loss Account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

1 Accounting policies [Continued]

Stocks and open transactions

Stocks have been valued at the lower of cost or net realisable value. In respect of goods for resale, cost includes all production overheads and an attributable proportion of indirect overhead expenses.

Pension schemes

Contributions in respect of defined contribution pension schemes are charged to the Profit and Loss Account when they become payable. In accordance with 'FRS 17 – Retirement Benefits', the operating and financing costs of defined benefit pension schemes are recognised separately in the Profit and Loss Account. As the schemes have ceased to accrue further benefits to members, the current service costs which relate to death in service premiums are recognised in the period in which they arise together with the financing costs.

The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in the Statement of Total Recognised Gains and Losses.

Employee benefit trust

The group operates an Employee Benefit Trust in order to reward and encourage its staff. The company made an initial contribution of £158,764 to the Trust in 1992. At 31st August 2012 the total funds held by the Trustees amounted to £376,323. In accordance with UITF Abstract 32, Employee Benefit Trusts and Other Intermediate Payment Arrangements, the funds are held for the future economic benefit of the group and the assets and liabilities of the Employee Benefit Trust are included on its Balance Sheet.

The surplus of funds over the initial contribution is included within "Other Reserves". In accordance with UITF 38, the company's own shares held by the Trustees are shown as a deduction from other reserves in shareholders' funds, until such time as they vest unconditionally with employees.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

Foreign currencies

Assets, liabilities and results of overseas operations are converted into sterling at the rate of exchange ruling at the Balance Sheet date with any currency adjustment taken directly to reserves. Other exchange differences are reflected in the results for the year.

Leased assets

Assets obtained under finance leases are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the Profit and Loss Account over the period of the lease. Rental payments under operating leases are charged to the Profit and Loss Account as incurred.

Rentals receivable on operating leases are credited to the Profit and Loss Account as they accrue.

Financial instruments

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

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

2 Turnover

	2012 £'000	2011 £'000
Manufacture and merchanting of foodstuffs		
Home	251,777	237,165
Overseas	32,789	39,302
	284,566	276,467
Less Share of joint venture turnover (overseas)	(30,988)	(37,560)
Group turnover	253,578	238,907

The share of joint venture turnover shown above represents the amount prior to disposal on 6th April 2012 as detailed in note 6

3 Operating profit

The operating profit for the year has been arrived at after

	2012 £'000	2011 £'000
Charging		
Directors' emoluments (see note 4)	2,188	3,974
Operating lease rentals	1,506	1,471
Depreciation	3,427	3,108
Amortisation of goodwill	1,025	1,102
Crediting		
Surplus on disposal of fixed assets	66	68

Services provided by the group's auditor:

	2012 £'000	2011 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	19	18
Fees payable to the company's auditor for other services.		
Audit of the company's subsidiaries, pursuant to legislation	32	32
Accounting services	25	25
Tax services	18	17
Other services	53	7
Fees payable in respect of the Edward Billington and Son Limited Retirement Benefits Scheme		
Audit	3	2

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

4 Directors' emoluments and employment costs

The aggregate amount of directors' emoluments, including profit sharing bonuses and contributions to pension scheme in respect of current service were

	2012 £'000	2011 £'000
Number of directors whose emoluments are included below	6	6
Management remuneration (including benefits in kind)	583	648
Profit sharing bonuses	1,368	876
Pension scheme contributions	237	247
	2,188	1,771
Benefits accrued under long-term incentive plan	-	2,203
	2,188	3,974

Pension scheme contributions represent amounts paid to defined contribution schemes during the year. The number of directors who were members of a defined contribution scheme was 6 (2011 6) and the number who were members of a defined benefit scheme was 5 (2011 5)

	2012 £'000	2011 £'000
The emoluments of the highest paid director were as follows		
Aggregate emoluments, excluding pension contributions	713	401
Company pension contributions to a defined contribution scheme	16	39

In addition to the above, the director accrued benefits of £742,000 during 2011 in respect of a five year long-term incentive plan that commenced in 2006 and expired in 2011. No such benefits accrued during 2012

Employees	2012 £'000	2011 £'000
Total cost of employment:		
Wages and salaries	19,019	19,734
Social security costs	1,893	2,093
Other pension costs	741	829
	21,653	22,656

	2012 Number	2011 Number
Average number of employees		
Management and administration	86	86
Selling and distribution	60	53
Direct labour and production	500	499
	646	638

The defined benefit scheme is the Edward Billington and Son Limited Retirement Benefits Scheme. With effect from 1st September 2006 the scheme ceased to accrue further benefits for its active members, further details of which are given in note 25

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

5 Share of operating results of associates and joint venture

	2012 £'000	2011 £'000
Share of operating profit		
Associated undertakings	2,930	1,802
Joint venture	4,813	5,539
	7,743	7,341

The results of Wholesome Sweeteners Inc are included above in line with the treatment set out in note 12

6 Exceptional item

	2012 £'000	2011 £'000
Profit on disposal of investment in joint venture (see note 12)	15,488	-

This represents the realised gain on the disposal of the group's interest in Wholesome Sweeteners Inc which took place on 6th April 2012

As part of the consideration for this transaction, the company acquired a 26.5% interest in WSO Holdings LP, a limited partnership registered in Delaware, USA. WSO Holdings LP in turn holds 99.9% of WSO Investments Inc, which acquired the entire share capital of Wholesome Sweeteners Inc.

7 Net interest paid

	2012 £'000	2011 £'000
Interest paid		
Bank interest	147	136
Loan interest	11	9
Finance leases	91	82
Other interest	122	7
Net finance charge on pension scheme (note 25)	126	254
	497	488
Interest received		
Bank interest	(199)	(30)
	298	458
Joint venture		
Interest paid	142	137
Associated undertakings		
Interest paid	836	226
Interest received	(51)	(55)
	1,225	766

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

8 Taxation

8.1	Analysis of charge for year	2012		2011	
		£'000	£'000	£'000	£'000
Current tax:					
UK corporation tax on profit for the year					
	Group companies	1,432		1,176	
	Associated undertakings	404		483	
Foreign taxation					
	Group companies	4		7	
	Associated undertakings and joint venture	1,717		1,701	
Adjustment in respect of previous year					
	Group companies	48		3	
Total current tax			3,605		3,370
Deferred tax:					
Origination and reversal of timing differences					
	Group companies	374		608	
	Associated undertakings and joint venture	63		49	
Total deferred tax			437		657
Tax on profit on ordinary activities			4,042		4,027
8.2 Factors affecting the current tax charge for the year					
			2012		2011
			£'000		£'000
Tax arising on profit on ordinary activities at the standard rate of corporation tax of 26% (2011 28%)					
			7,432		3,526
Effects of:					
Expenses not deductible for tax purposes			59		93
Capital allowances in excess of depreciation			(15)		(21)
Amortisation not deductible for tax purposes			267		273
Profit on disposal of joint venture not taxable			(4,027)		-
Credits not taxable			-		(13)
Other timing differences			(455)		(605)
Higher tax rates on overseas earnings			380		191
Adjustment to reflect effective tax rate			(84)		(77)
Adjustment in respect of previous year			48		3
			3,605		3,370

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

9 Equity dividends of Edward Billington and Son Limited

	%	2012 £'000	%	2011 £'000
Paid during the year:				
Interim - paid 26th September 2011	24.00	447	-	-
Interim - paid 9th February 2012	45.00	837	-	-
Final	-	-	35.00	651
Total dividends paid	69.00	1,284	35.00	651
Proposed for the year:				
Interim - paid 25th September 2012	26.40	491	24.00	447
Special - paid 28th September 2012	100.00	1,861	-	-
Interim	-	-	45.00	837
Final - payable 22nd February 2013	49.50	922	-	-
Special - payable 8th April 2013	100.00	1,861	-	-
Total dividends proposed	275.90	5,135	69.00	1,284

Dividends totalling 75.90% are proposed in respect of the year, together with special dividends of 200%. The amounts proposed in respect of the previous year have been paid and are therefore deducted from reserves as shown in note 21.

10 Tangible fixed assets

Group	Land and Buildings £'000	Plant £'000	Total £'000
Cost or valuation			
At 31st August 2011	13,843	36,299	50,142
Additions	369	3,502	3,871
Disposals	-	(1,460)	(1,460)
At 31st August 2012	14,212	38,341	52,553
At valuation			
30th April 1983	135	320	455
30th April 1991	500	1,500	2,000
31st August 2012	500	-	500
At cost	13,077	36,521	49,598
	14,212	38,341	52,553
Depreciation			
At 31st August 2011	4,350	24,394	28,744
Amounts provided	513	2,914	3,427
Released on disposals	-	(1,311)	(1,311)
At 31st August 2012	4,863	25,997	30,860
Net book value			
At 31st August 2012	9,349	12,344	21,693
At 31st August 2011	9,493	11,905	21,398

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

10 Tangible fixed assets [Continued]

The net book value of land and buildings includes £500,000 (2011 £500,000) in respect of investment property stated at valuation. The investment property was valued by the directors, with guidance from external property consultants, on the basis of open market value at 31st August 2009. The directors consider that the valuation at 31st August 2012 is not materially different.

Should the group's investment property be sold at this market value, a tax liability of approximately £56,000 would arise. No provision for this contingent liability has been made as it is not expected that any liability will arise in the foreseeable future.

The net book value of land and buildings includes £117,101 (2011 £117,101) of long-leasehold property and £4,040,669 (2011 £4,180,831) of short-leasehold property. Land and buildings includes, where applicable, fixed plant which forms an integral part of the building structure.

Plant includes motor vehicles having a net book value of £2,709,569 (2011 £2,133,147).

The net book value of tangible fixed assets includes an amount of £2,179,019 (2011 £1,671,388) in respect of assets held under finance leases, and on which depreciation charged in the year was £477,611 (2011 £335,704).

Company	Land and Buildings £'000	Plant £'000	Total £'000
Cost or valuation			
At 31st August 2011	642	496	1,138
Additions	-	175	175
Disposals	-	(20)	(20)
At 31st August 2012	642	651	1,293
At valuation 31st August 2012	500	-	500
At cost	142	651	793
	642	651	1,293
Depreciation			
At 31st August 2011	13	144	157
Amounts provided	3	100	103
Released on disposals	-	(15)	(15)
At 31st August 2012	16	229	245
Net book value			
At 31st August 2012	626	422	1,048
At 31st August 2011	629	352	981

The net book value of land and buildings includes £500,000 (2011 £500,000) in respect of investment property stated at valuation. The investment property was valued by the directors, with guidance from external property consultants, on the basis of open market value at 31st August 2009. The directors consider that the valuation at 31st August 2012 is not materially different.

Should the company's investment property be sold at this market value, a tax liability of approximately £56,000 would arise. No provision for this contingent liability has been made as it is not expected that any liability will arise in the foreseeable future.

The balance of the net book value represents £126,000 of freehold land and buildings.

Plant includes motor vehicles having a net book value of £142,274 (2011 £76,974).

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

11 Intangible fixed assets

	Group			Company
	Positive Goodwill £'000	Negative Goodwill £'000	Total £'000	Positive Goodwill £'000
Cost				
At 31st August 2011 and 31st August 2012	14,846	(186)	14,660	8,690
Amortisation				
At 31st August 2011	9,675	(103)	9,572	3,768
Amounts provided	1,108	(83)	1,025	974
At 31st August 2012	10,783	(186)	10,597	4,742
Net book value				
At 31st August 2012	4,063	-	4,063	3,948
At 31st August 2011	5,171	(83)	5,088	4,922

12 Investments

Group	Unquoted £'000	Associated undertakings £'000	Joint venture £'000	Total £'000
Cost or valuation				
At 31st August 2011	-	5,466	9,634	15,100
Additions	41	-	-	41
Share of results	-	1,549	3,057	4,606
Disposals	-	-	(7,513)	(7,513)
Exchange difference	-	98	34	132
Amounts written off	(41)	-	-	(41)
Reclassification	-	5,212	(5,212)	-
At 31st August 2012	-	12,325	-	12,325

Unquoted

The directors do not consider that any amount is recoverable in respect of the unquoted investment, which has therefore been written off

Associated undertakings

The share of associated undertakings' results represent the group's share of retained profits in Carrs Billington Agriculture (Sales) Limited, Vitamin Pet Foods Limited and WSO Holdings LP following the reclassification arising on the disposal and subsequent reinvestment on 6th April 2012 referred to in note 6

Joint venture

The share of joint venture results represents the group's share of retained profits in Wholesome Sweeteners Inc up to the point of disposal

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

12 Investments [Continued]

The group's investments in associated undertakings at 31st August 2012 is represented by the following

	Total 2012 £'000	Total 2011 £'000
Share of fixed assets	4,489	4,237
Share of current assets	42,952	44,244
Share of current liabilities	(24,285)	(30,507)
Share of net current assets	18,667	13,737
Share of liabilities due after more than one year	(6,372)	(3,511)
Share of provisions	(5,186)	(143)
Share of net assets	11,598	14,320
Goodwill arising on acquisition less amortisation	727	780
	12,325	15,100

The group's share of turnover of associated undertakings amounted to £134,844,417 (2011 £117,065,432) for the year

Company Cost	Associated undertakings £'000	Joint venture £'000	Subsidiary undertakings £'000	Total £'000
At 31st August 2011	600	42	7,841	8,483
Disposals	-	(24)	-	(24)
Reclassification	18	(18)	-	-
At 31st August 2012	618	-	7,841	8,459

On 6th April 2012 the group disposed of its interest in Wholesome Sweeteners Inc and reinvested in WSO Holdings LP as detailed in note 6, resulting in the reclassification set out above

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

13 Stocks

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Raw materials	4,009	3,683	-	-
Goods for resale	8,545	8,393	193	147
	12,554	12,076	193	147

14 Debtors

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Trade debtors	17,070	14,969	59	70
Prepayments and accrued income	1,738	2,488	223	1
Other taxes	727	951	31	-
Subsidiary undertakings	-	-	9,448	10,890
Associated undertakings	16,237	12,957	1,236	1,255
Other debtors	502	176	51	348
Deferred tax asset (see note 19 1)	-	-	408	13
	36,274	31,541	11,456	12,577

The associated undertakings debtor includes £1,225,000 (2011 £1,225,000) which will be repaid after more than one year

15 Creditors - amounts falling due within one year

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Current instalments on loans	-	48	-	-
Bank overdrafts	8,942	8,023	-	-
Trade creditors	18,017	17,344	201	52
Other creditors	510	343	395	330
Accruals and deferred income	11,476	9,790	3,199	3,049
Corporation tax	902	931	-	195
Other taxes and social security costs	74	384	74	359
Finance lease obligations	545	526	-	-
Subsidiary undertakings	-	-	6,849	7,307
	40,466	37,389	10,718	11,292

The bank facilities are secured by way of fixed and floating charges over the assets of certain group companies

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

16 Creditors - amounts falling due after more than one year

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Other loan	1,225	1,225	-	-
Finance lease obligations	1,083	732	-	-
	2,308	1,957	-	-

Details of the other loan are given in note 27

17 Lease obligations

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Finance leases				
Amounts falling due				
Within one year	545	526	-	-
Within two to five years	1,083	732	-	-
	1,628	1,258	-	-
Operating lease commitments				
	Land and buildings		Plant and machinery	
Group	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Leases expiring				
Within one year	-	-	29	96
Within two to five years	47	-	310	135
After five years	1,036	932	-	-
	1,083	932	339	231

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

Included above are annual rental commitments of £133,280 (2011 £82,280) relating to Edward Billington and Son Limited in respect of commitments for land and buildings expiring after five years

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

18 Capital commitments

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Contracted for but not provided in the accounts	132	Nil	Nil	Nil

19 Provision for liabilities and charges

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
19 1 - Deferred taxation	820	1,386	-	-
19 2 - Minority interests	3,662	2,820	-	-
19 3 - Other provision	482	482	482	482
	4,964	4,688	482	482

19.1 Deferred taxation

	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Accelerated capital allowances	1,305	1,476	4	(3)
Short term timing differences	(485)	(90)	(412)	(10)
	820	1,386	(408)	(13)
At 31st August 2011	1,386	1,241	(13)	(148)
Profit and loss account credit	(105)	145	66	135
Reclassification to current tax	(461)	-	(461)	-
At 31st August 2012	820	1,386	(408)	(13)

The profit and loss account credit shown above, excludes charges of £479,000 (2011 £463,000) and £302,000 (2011 £140,000) for the group and company respectively arising from the movements on the deferred tax asset which has been netted off the pension liabilities shown in note 25

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

19 Provision for liabilities and charges [Continued]

19.2 Minority interests

Profit and loss account

The amount shown represents the profits for the year, after taxation, attributable to the investment in subsidiary and associated undertakings held by minorities. The effects on the reported results of the group are summarised below

	Attributable to group £'000	Minority interest £'000	Consolidated £'000
Operating profit	4,824	1,753	6,577
Share of operating results of associates and joint venture	7,743	-	7,743
Exceptional item	15,488	-	15,488
Profit on ordinary activities before interest	28,055	1,753	29,808
Net interest paid	(1,049)	(176)	(1,225)
Profit on ordinary activities before taxation	27,006	1,577	28,583
Taxation	(3,684)	(358)	(4,042)
Profit on ordinary activities after taxation	23,322	1,219	24,541

Balance Sheet

The amount shown represents the minority interest in the share capital and reserves of subsidiary undertakings at 31st August 2012. The movement on this provision is summarised below

	£'000
At 31st August 2011	2,820
Profit and loss account charge	1,219
Share of losses reported in the statement of total recognised gains and losses	(377)
At 31st August 2012	3,662

19.3 Other provisions

	Group £'000	Company £'000
At 31st August 2011 and 31st August 2012	482	482

This provision arises in respect of PAYE and National Insurance on payments to directors through an Employee Benefit Trust in a prior year. Following judgment on an appeal in a parallel matter, the directors have been advised that the potential liability should be fully provided.

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

20 Capital of Edward Billington and Son Limited

	Authorised		Allotted, called up and fully paid	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Preferred ordinary shares of £1 each (non-voting)	1,250	1,250	419	419
Ordinary shares of £1 each	2,350	2,350	1,042	1,042
2007 ordinary shares of £1 each	400	400	400	400
	4,000	4,000	1,861	1,861

The preferred ordinary shares of £1 each are independently valued each year. It was reported at the company's Annual General Meeting on 15th April 2012 that the valuation of these shares was £19.50 per share. The directors are advised that the recommended valuation of these shares be increased to £23.00 per share following approval of these accounts.

21 Reserves

Group	Share Premium Account £'000	Revaluation Reserve £'000	Capital Reserves £'000	Other Reserves £'000	Profit and Loss account £'000
At 31st August 2011	87	434	2,776	218	34,862
Movements in year					
Profit for the year	-	-	-	-	23,322
Exchange differences	-	-	-	-	132
Actuarial loss on net pension liabilities	-	-	-	-	(3,587)
Deferred tax associated with net pension liabilities	-	-	-	-	714
Equity dividends paid	-	-	-	-	(1,284)
At 31st August 2012	87	434	2,776	218	54,159
Company					
At 31st August 2011	87	434	644	218	10,056
Movements in year					
Profit for the year	-	-	-	-	22,031
Actuarial loss on net pension liabilities	-	-	-	-	(3,151)
Deferred tax associated with net pension liabilities	-	-	-	-	671
Equity dividends paid	-	-	-	-	(1,284)
At 31st August 2012	87	434	644	218	28,323

The Profit and Loss Account balances of £54,159,000 and £28,323,000 are stated after deduction of net pension deficits of £7,360,000 and £3,776,000 for the group and company respectively.

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

22 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the year	23,322	7,101
Equity dividends - paid	(1,284)	(651)
	22,038	6,450
Net actuarial (loss)/gain on pension liabilities	(2,873)	2,393
Movement on Employee Benefit Trust	-	2
Exchange differences	132	(272)
Net increase in shareholders' funds	19,297	8,573
Opening shareholder's funds	40,238	31,665
Closing shareholders' funds	59,535	40,238

23 Profit of Edward Billington and Son Limited

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss account of the parent undertaking is not presented as part of these accounts. The consolidated profit for the year includes a profit of £22,031,198 (2011 loss £991,870) which is dealt with in the accounts of Edward Billington and Son Limited.

24 Contingent liabilities

Edward Billington and Son Limited has guaranteed the individual bank and loan facilities of certain subsidiary undertakings.

The group has, in the normal course of trade, given indemnities to third parties and entered into forward currency contracts. Other than amounts properly provided in the accounts no additional liabilities are expected to arise from these transactions.

As explained in the financial risk management objectives and policies on page 2, the group's policy is to hedge against changes in future market prices of certain commodities. Gains and losses on instruments used for hedging are not recognised until the exposure that is being hedged is itself recognised. The net unrecognised losses on instruments used for hedging amount to £620,950 (2011 £645,415), these losses were incurred on futures contracts that were hedged against profitable physical contracts in the 2013 financial year.

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions

25.1 Defined Contribution Schemes

The group operates a number of defined contribution pension plans. The total cost of contributions into these plans during the year ended 31st August 2012 was £741,385 (2011 £828,521)

25.2 Defined Benefit Schemes

The group also operates two defined benefit pension schemes, Edward Billington and Son Limited Retirement Benefits Scheme and Carrs Billington Agriculture Pension Scheme. The assets of both schemes are administered by trustees, held separately from those of the group and are invested with financial institutions. Contributions are paid to the schemes in accordance with the recommendations of two independent qualified actuaries on the basis of triennial valuations using the attained age method of valuation.

The following table summarises the net pension liabilities of the Edward Billington and Son Limited Retirement Benefits Scheme and the Carrs Billington Agriculture Pension Scheme detailed in notes 25.2.1 and 25.2.2 respectively which are reflected in aggregate on the group Balance Sheet

	2012 £'000	2011 £'000
Edward Billington and Son Limited Retirement Benefits Scheme	3,776	2,158
Carrs Billington Agriculture Pension Scheme	3,584	3,315
	7,360	5,473

25.2.1 Edward Billington and Son Limited Retirement Benefits Scheme

The scheme was closed to new entrants on 1st February 2001 and with effect from 1st September 2006, the scheme ceased to accrue further benefits for its active members. An alternative defined contribution scheme has been implemented to replace it.

Contributions amounting to £1,169,000 were paid into the scheme during the year towards the elimination of the scheme deficit. In line with the latest actuarial valuation dated 1st September 2010, the company expects to contribute £1,212,000 during the year to 31st August 2013 towards the elimination of the scheme deficit.

FRS 17

FRS 17 requires the assets and liabilities of the defined benefit pension scheme to be recognised in the Balance Sheet. Net financial returns are included in the Profit and Loss account in the period to which they relate whilst actuarial gains and losses are recognised in the statement of Total Recognised Gains and Losses.

The actuarial valuations were updated to 31st August 2012 by an independent qualified actuary in accordance with FRS 17. The defined benefit liabilities have been measured using the projected unit method and both the assets and liabilities include the value of pensions in payment, which are secured with insured annuities.

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions [Continued]

25.2.1 Edward Billington and Son Limited Retirement Benefits Scheme [Continued]

The following table sets out as at 31st August 2012 the fair value of the assets, the present value of the liabilities valued in accordance with the Standard and the surplus or deficit of assets over these liabilities (which equals the gross pension deficit), which is included in the Balance Sheet net of deferred taxation

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Total fair value of assets	17,778	16,085	13,888	12,661	12,744
Present value of liabilities	(22,682)	(19,002)	(20,760)	(18,698)	(16,770)
Gross pension deficit	(4,904)	(2,917)	(6,872)	(6,037)	(4,026)
Deferred tax asset	1,128	759	1,855	1,690	1,128
Net pension deficit	(3,776)	(2,158)	(5,017)	(4,347)	(2,898)

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

	2012	2011
Equities	63%	64%
Bonds	22%	24%
Property	1%	1%
Other	14%	11%
	100%	100%

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in an assumed rate of 5.19% for the year to 31st August 2013.

	2012 £'000	2011 £'000
Actual return on scheme assets	1,085	2,057
Weighted average assumptions used to determine benefit obligations at:	2012	2011
Discount rate	4.40%	5.40%
Rate of compensation increase	N/A	N/A
Weighted average assumptions used to determine net pension cost for the year ended 31st August 2012:	2012	2011
Discount rate	5.40%	5.10%
Expected long-term return on scheme assets	6.13%	6.34%

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions [Continued]

25.2.1 Edward Billington and Son Limited Retirement Benefits Scheme [Continued]

Weighted average life expectancy for mortality tables used to determine benefit obligations at 31st August 2012:	Male	Female
Member age 65 (current life expectancy)	23.2	25.3
Member age 45 (life expectancy at age 65)	25.1	26.7
Changes in the present value of the defined benefit obligations are as follows:	2012 £'000	2011 £'000
Benefit obligation at beginning of year	19,002	20,760
Interest cost	1,011	1,045
Actuarial losses/(gains)	3,248	(2,230)
Benefits paid	(579)	(573)
Benefit obligation at end of year	22,682	19,002
Analysis of defined benefit obligation		
Schemes that are wholly or partly funded	22,682	19,002
Change in the fair value of scheme assets are as follows:	2012 £'000	2011 £'000
Fair value of scheme assets at beginning of year	16,085	13,888
Expected return on scheme assets	1,006	886
Actuarial gains	97	1,185
Employer contribution	1,169	699
Benefits paid	(579)	(573)
Fair value of scheme assets at end of year	17,778	16,085
Analysis of the amount charged to interest payable		
Expected return on pension scheme assets	(1,006)	(886)
Interest on pension scheme liabilities	1,011	1,045
Net charge in profit and loss account	5	159
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)		
Actuarial loss immediately recognised	3,151	3,415

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses (STRGL) since the implementation of FRS17 amounts to a loss of £6,761,000 at 31st August 2012

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions [Continued]

25.2.1 Edward Billington and Son Limited Retirement Benefits Scheme [Continued]

History of experience gains and losses	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Difference between the expected and actual return on the scheme assets	97	1,185	289	(1,154)	(1,316)
Percentage of scheme assets	1%	7%	2%	(9%)	(10%)
Experience gains and losses on scheme liabilities	Nil	(2,094)	Nil	Nil	(1,700)
Percentage of the present value of the scheme liabilities	Nil	(11%)	Nil	Nil	(10%)

25.2.2 Carrs Billington Agriculture Pension Scheme

Carrs Billington Agriculture (Operations) Limited is the principal employer of the Carrs Billington Agriculture Pension Scheme, a funded defined benefit scheme. The scheme ceased to accrue further benefits for its active members with effect from 1st December 2007.

Contributions paid into the scheme during the year amounted to £800,000. The company has agreed to contribute £800,000 to the scheme during the year to 31st August 2013.

FRS17

The actuarial valuation was updated to 31st August 2012 by an independent qualified actuary in accordance with FRS17. The defined benefit liabilities have been measured using the projected unit method and both the assets and liabilities include the value of pensions in payment, which are secured with insured annuities.

The following table sets out as at 31st August 2012 the fair value of the assets, the present value of the FRS17 liabilities and the surplus or deficit of assets over the FRS17 liabilities (which equals the gross pension deficit), which is included in the Balance Sheet net of deferred taxation.

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Total fair value of assets	22,091	20,091	19,564	17,903	19,254
Present value of liabilities	(26,746)	(24,570)	(25,143)	(22,858)	(21,896)
Gross pension deficit	(4,655)	(4,479)	(5,579)	(4,955)	(2,642)
Deferred tax asset	1,071	1,164	1,562	1,387	739
Net pension deficit	(3,584)	(3,315)	(4,017)	(3,568)	(1,903)

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions [Continued]

25 2 2 Carrs Billington Agriculture Pension Scheme [Continued]

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

	2012	2011
Equities	46%	50%
Bonds	48%	50%
Property	5%	0%
Other	1%	0%
	100%	100%

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in an assumed rate of 4.98% for the year to 31st August 2013.

	2012 £'000	2011 £'000
Actual return on scheme assets	2,498	310

Weighted average assumptions used to determine benefit obligations at:	2012	2011
Discount rate	4.40%	5.40%
Rate of compensation increase	N/A	N/A

Weighted average assumptions used to determine net pension cost for the year ended 31st August 2012:	2012	2011
Discount rate	5.40%	5.10%
Expected long-term return on scheme assets	5.90%	5.90%
Rate of compensation increase	N/A	N/A

Weighted average life expectancy for mortality tables used to determine benefit obligations at 31st August 2012:	Male	Female
Member age 65 (current life expectancy)	21.8	24.7
Member age 45 (life expectancy at age 65)	24.7	27.7

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions [Continued]

25.2.2 Carrs Billington Agriculture Pension Scheme [Continued]

Changes in the present value of the defined benefit obligations are as follows:	2012 £'000	2011 £'000
Benefit obligation at beginning of year	24,570	25,143
Interest cost	1,292	1,256
Actuarial losses	2,182	(796)
Benefits paid	(1,298)	(1,033)
Benefit obligation at end of year	26,746	24,570
Analysis of defined benefit obligation		
Schemes that are wholly or partly funded	26,746	24,570
Change in the fair value of scheme assets are as follows:		
Fair value of scheme assets at beginning of year	20,091	19,564
Expected return on scheme assets	1,171	1,161
Actuarial gains	1,327	(851)
Employer contribution	800	1,250
Benefits paid	(1,298)	(1,033)
Fair value of scheme assets at end of year	22,091	20,091
Analysis of the amount charged to interest payable		
Expected return on pension scheme assets	(1,171)	(1,161)
Interest on pension scheme liabilities	1,292	1,256
Net charge in profit and loss account	121	95
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)		
Actuarial loss immediately recognised	855	55

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses (STRGL) since the implementation of FRS17 amounts to a loss of £8,508,000 at 31st August 2012

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

25 Pensions [Continued]

25.2.2 Carrs Billington Agriculture Pension Scheme [Continued]

History of experience gains and losses	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Difference between the expected and actual return on the scheme assets	1,327	(851)	998	(2,060)	(3,005)
Percentage of scheme assets	6%	(4%)	5%	(12%)	(16%)
Experience gains and losses on scheme liabilities	Nil	Nil	(996)	Nil	Nil
Percentage of the present value of the scheme liabilities	Nil	Nil	(4%)	Nil	Nil

26 Operating entities

Subsidiary undertakings	Country of Incorporation	Percentage of equity held by the group
Agricultural division		
Carrs Billington Agriculture (Operations) Limited	England	51
Criddle & Co Limited	England	100
Foods division		
English Provender Company Limited	England	100
Associated undertakings		
+ Carrs Billington Agriculture (Sales) Limited	England	49
+ Vitamin Pet Foods Limited	Barbados	30
+ WSO Holdings LP	U.S.A.	26.5

+ Indicates companies audited other than by Mitchell Charlesworth

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

27 Related party transactions

Loans from shareholders amounted to £167,985 (2011 £179,250) on which interest of £3,759 (2011 £4,176) is payable

The sale of the group's investment in Wholesome Sweeteners Inc triggered the repurchase of the 33,000 Class D shares in that company held between Mr E W Billington, Mr M R Cashin, Mr D Marshall and Mr L L R Whiteley. The consideration paid for these shares totalled £2,162,550

The group has a 49% interest in Carrs Billington Agriculture (Sales) Limited, the remainder of whose shares are owned by Carr's Milling Industries PLC

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

31st August 2012	Sales £'000	Purchases £'000	Management Charges £'000	Creditors £'000	Debtors £'000
Carr's Milling Industries PLC	4	15	-	1,226	1
Carrs Billington Agriculture (Sales) Limited	90,642	199	-	17	15,076
Carrs Agriculture Limited	1	173	-	137	52
Carrs Engineering Limited	2	234	-	26	1
Carrs Properties Limited	-	19	-	-	-
Carr's Flour Mills Limited	1,962	2,106	-	113	32
Bibby Agriculture Limited	13,256	-	-	-	1,130
Afritech Limited	-	379	-	-	4

The balance of £1,226,000 due to Carr's Milling Industries PLC includes an unsecured, interest free loan of £1,225,000 (2011 £1,225,000) and trade creditors of £972 (2011 £Nil). Whilst there are no set repayment dates, Carr's Milling Industries PLC will only seek repayment after more than one year in accordance with the loan agreement. Included within the £15,076,000 (2011 £12,052,000) due from Carrs Billington Agriculture (Sales) Limited is £1,225,000 (2011 £1,225,000) which is also unsecured, interest free and repayable after more than one year

31st August 2011	Sales £'000	Purchases £'000	Management Charges £'000	Creditors £'000	Debtors £'000
Carr's Milling Industries PLC	-	15	-	1,225	4
Carrs Billington Agriculture (Sales) Limited	86,803	473	50	17	12,052
Carrs Agriculture Limited	3	9	-	3	1
Carrs Engineering Limited	-	140	-	22	-
Carrs Properties Limited	-	18	-	-	-
Carr's Flour Mills Limited	1,529	1,914	-	152	7
Bibby Agriculture Limited	11,669	-	-	1	905
Afritech Limited	-	454	-	30	38

Edward Billington and Son Limited and Subsidiaries

Notes to the Accounts [Continued]

For the year ended 31st August 2012

28 Reconciliation of operating profit to operating cash flows

	2012 £'000	2011 £'000
Operating profit	6,577	6,017
Depreciation of tangible fixed assets	3,427	3,108
Amortisation of intangible fixed assets	1,025	1,102
Surplus on disposal of tangible fixed assets	(66)	(68)
Earnings before interest, depreciation and amortisation	10,963	10,159
Dividends from associates	23	44
Trade investment write off	41	20
Increase in stocks	(478)	(3,500)
Increase in debtors	(4,733)	(5,254)
Increase in creditors	1,694	5,142
Increase in provisions	-	18
Defined benefit pension schemes	(1,843)	(1,695)
Net cash inflow from operating activities	5,667	4,934

29 Analysis of net debt

	At 31st August 2011 £'000	Cash Flow £'000	Other non- Cash Changes £'000	At 31st August 2012 £'000
Cash at bank and in hand	4,542	23,182	-	27,724
Bank overdrafts	(8,023)	(919)	-	(8,942)
	(3,481)	22,263	-	18,782
Debt due within one year	(48)	48	-	-
Finance leases	(1,258)	(370)	-	(1,628)
Total	(4,787)	21,941	-	17,154

	2012 £'000	2011 £'000
Increase in cash in the year	22,263	(1,268)
Cash (inflow) from (increase) in debt and lease financing	(322)	251
Movement in net debt in the year	21,941	(1,017)
Net debt at 31st August 2011	(4,787)	(3,770)
Net debt at 31st August 2012	17,154	(4,787)