Company Registration No. 05534540 (England and Wales)

DACSA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

DACSA LIMITED

COMPANY INFORMATION

Directors	Miss Araceli Ciscar Garcia Mr Ricardo Ciscar Garcia Mr Ricardo Ciscar Martinez
Company number	05534540
Registered office	Crosby Road South *Liverpool* L21 4PF
Auditor	Deloitte LLP Statutory Auditor Horton House, Exchange Flags, Liverpool L2 3PG

DACSA LIMITED

CONTENTS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Business model
The business procures maize from outside the UK. The maize is milled in the UK premises in Liverpool and sold onto customers throughout the UK. The company seeks to add value through the quality of its products and its relationships with both its raw material suppliers and its customers.

Business review and results
During the year, despite volumes having decreased since 2016, mainly owing to a tough competitive environment our customers are experiencing, as well as pressure for deflation from retailers, turnover has increased as a result of the improvement in sales value for certain contracts and by-products. The directors are pleased to report a profit before tax of £3,753,619 (2016: £5,530,948).

The directors have approved a final dividend for the year ended 31 December 2017 of £5,323,380 (2016: £7,685,820).

Key performance indicators
Key performance indicators continue to be used throughout the business. The company's focus is on improvements in gross margin and reducing operating costs, supported by robust cash flow monitoring.

Principal risks and uncertainties
Price risk
The market continues to be highly competitive and so it is important to be prepared to obtain the best supplies in quality and price.

Foreign exchange risk
The company has a number of customers whom it invoices in euros. The effect of any exchange rate variance is mitigated partially by the fact that the company also purchases the vast majority of its raw materials in euros.

The uncertainty of the foreign currency markets make it difficult for the directors to assess the likely impact of future movements in the euro to sterling exchange rate. However, the use of hedging instruments assists in minimising exposure.

Credit risk
The company looks at the trading history of any new customers before allowing any trade to take place. Any potential customers with poor or no trading history are required to pay on delivery for initial orders. The company's established customers' credit terms are monitored on a regular basis which provides the directors' with comfort over this area

Liquidity risk
The company manages liquidity risk by maintaining adequate reserves and by monitoring forecasts and actual cash flows.

Beyond the financial control measures also non-financial performance indicators are of central importance for the company's performance. They relate to the company's relationships with customers and employees. DACSA Limited employed an average of 28 staff in 2017, with a turnover rate of 4%, this is a reduction from the turnover rate of 19% in 2016.

Future developments
The company aims to continue to grow its market share in the industry and continue to increase turnover and margin. The company's mission is to maintain the highest quality, safety and efficacy in all products whilst creating sustainable value for our customers.

Impact of Brexit on Dacsa Limited
Dacsa Limited is a British company that is wholly owned by the parent Spanish Company Maicerias Espanolas S.A. Its sole activity is milling maize into ingredients for food and feed industry, largely for the domestic British market. Exports into EU and third countries are non significant (less than 1%). Maize used for our milling activities is about 97% Argentinean origin and 3% French origin. From a trading point of view as we are producing in the UK for the UK market, we consider to have little exposure to the Brexit impact. Risks of Brexit for DACSA Limited, may be associated with the influence of the euro to sterling exchange rate, as serveral of our customers pay in euro. Also, risks may arise in relation to the potential reduction of economic activity driven by a downturn of the economy if our politicians do not achieve the expected agreements during the negotiations. Another concern of Brexit for DACSA is how any potential changes regarding The European Union Customs Unions will affect trade. In regards to our workforce, we do not foresee any issues derived from Brexit as all of the workforce is local.

On behalf of the board

....
Miss Araceli Ciscar Garcia
Director

....

Crosby Road South
Liverpool
L21 4PE

Date:.......June 8th, 2018

DACSA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities
The principal activity of the company during the year was that of mill work producing maize products.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Miss Araceli Ciscar Garcia
Mr Ricardo Ciscar Garcia
Mr Ricardo Ciscar Martinez

Results and dividends
The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £5,323,380 (2016: £7,685,820) The directors do not recommend payment of a further dividend.

Directors Indemnities
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor
Pursuant to Section 487 of the companies Act 2006 Deloitte LLP were appointed on 7th September 2017, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Political contributions
The company made no political contributions or incurred any political expenditure in the year.

Statement of disclosure to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....
Miss Araceli Ciscar Garcia
Director
Date: June 8th, 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic or Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DACSA LIMITED

Opinion

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2017 and its 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.

We have audited the financial statments of Dacsa Limited (the 'company') which comprise:
- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19

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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

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

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

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

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Simon Hearne

Simon Hearne FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Statutory Auditor
Liverpool
United Kingdom

8 June 2018

DACSA LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		£	£
Turnover	3	39,803,259	38,188,811
Cost of sales		(30,560,316)	(27,171,115)
Gross profit		9,242,943	11,017,696
Administrative expenses		(5,377,617)	(5,374,392)
Operating profit	4	3,865,326	5,643,304
Interest receivable and similar income	7	88	783
Interest payable and similar expenses	8	(111,795)	(113,139)
Profit before taxation		3,753,619	5,530,948
Tax on profit on ordinary activities	9	(732,311)	(1,109,997)
Profit for the financial year		3,021,308	4,420,951
Other comprehensive income		-	-
Total comprehensive income		3,021,308	4,420,951

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 25 form an integral part of these financial statements.

There has been no other comprehensive income.

DACSA LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Intangible assets - goodwill	11	391,230	456,435
Tangible fixed assets	12	1,325,533	995,934
		1,716,763	1,452,369
Current assets			
Stocks	14	8,941,248	11,571,269
Debtors	15	3,464,914	4,570,845
Cash at bank and in hand		1,251,348	698,516
		13,657,510	16,840,630
Creditors: amounts falling due within one year	16	(13,598,691)	(14,241,150)
Net current assets		58,819	2,599,480
Total assets less current liabilities		1,775,582	4,051,849
Provisions for liabilities	17	(89,407)	(63,602)
Net assets		1,686,175	3,988,247
Capital and reserves			
Called up share capital	19	1,000	1,000
Profit and loss account		1,685,175	3,987,247
Total equity		1,686,175	3,988,247

The financial statements were approved by the Board of directors and authorised for issue on ......June 8th, 2018
Signed on its behalf by:

....
Mr Ricardo Ciscar Martinez
Director

Company Registration No. 05534540

The notes on pages 12 to 25 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2016		1,000	7,252,116	7,253,116
Year ended 31 December 2016:				
Total comprehensive income for the year		-	4,420,951	4,420,951
Dividends	10	-	(7,685,820)	(7,685,820)
Balance at 31 December 2016		1,000	3,987,247	3,988,247
Year ended 31 December 2017:				
Total comprehensive income for the year		-	3,021,308	3,021,308
Dividends	10	-	(5,323,380)	(5,323,380)
Balance at 31 December 2017		1,000	1,685,175	1,686,175

The notes on pages 12 to 25 form an integral part of these financial statements.

DACSA LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash generated from operations	23	7,426,263	8,278,808
Interest paid		(111,795)	(113,139)
Income taxes paid		(968,896)	(982,169)
Net cash inflow from operating activities		6,345,572	7,183,500
Cash flow from investing activities			
Purchase of property, plant and equipment		(469,448)	(285,862)
Interest received		88	783
Net cash used in investing activities		(469,360)	(285,079)
Cash flow from financing activities			
Dividends paid to owners of the company		(5,323,380)	(7,685,820)
Net outflow from financing activities		(5,323,380)	(7,685,820)
Net increase/(decrease) in cash and cash equivalents		552,832	(787,399)
Cash and cash equivalents at beginning of year		698,516	1,485,915
Cash and cash equivalents at 31 December		1,251,348	698,516

The notes on pages 12 to 25 form and integral part of these financial statements.

1 Accounting policies

Company Information

Dacsa Limited is a limited company domiciled and incorporated in England. The registered office is Crosby Road South, Liverpool, L21 4PF.

The Company's principal activities are detailed in the Directors' report. The nature of the Company's operations are detailed in the Strategic report.

1.1 Accounting convention

The Company is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of the Company's registered office is shown on page 1.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The amendments to IFRS 102 issued in July 2015 have been applied.

The amendments to FRS 102 issued in July 2015 have been applied. The presentational currency of these financial statements is sterling.

The financial statements have been prepared under the historical cost convention modified to include certain items at fair value, and in accordance with FRS 102 issued by the Financial Reporting Council. The principal accounting policies adopted are set out below.

The accounting polices set out below have otherwise stated been applied consistently to all periods presented in these financial statements. Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements are discussed in note 2.

1.2 Going concern

The Company's business activities together with the factors that are likely to affect its future, development and position are set out in the directors report.

The Company has a sound financial base and forecasts show profitability and sufficient cash flow and resources to meet the requirements of the business. As a consequence, the directors believe that the Company is well placed to manage Its business risks successfully and to continue as a going concern for the foreseeable future. Accordingly, the company has used the going concern basis in preparing these financial statements.

The directors have been provided with confirmation from Maicerias Espanolas SA that any additional funding as may be required will be available for the foreseeable future and outstanding loans will not be called in for repayment within 12 months from the date of approval of these financial statements.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	15 - 35 years straight line
Fixtures, fittings & equipment	4 - 12 years straight line
Plant and machinery	5 - 20 years straight line
Motor vehicles	3 - 5 years straight line

(Continued)

1 Accounting policies

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to or .

1.5 Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost is determined using the weighted average cost basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

(Continued)

1 Accounting policies

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Other financial liabilities classified as fair value through or are measured at fair value.

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

1 Accounting policies

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 Derivatives
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in or depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

(Continued)

1 Accounting policies

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as intangible or tangible fixed asset.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination 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. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Dividend

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Critical accounting judgements and key sources of estimation unceratinty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The directors do not consider there to be any sources of estimation uncertainty which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover		
United Kingdom	39,803,259	38,188,811
Other significant revenue		
Interest income	88	783

4 Profit for the year

	2017	2016
	£	£
Profit for the year is stated after charging:		
Exchange losses	418,185	451,866
Depreciation of tangible assets	139,849	184,622
Amortisation of intangible assets	65,205	65,206

5 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and its associates:	£	£
For audit services		
Audit of the company's financial statements	24,000	16,500

Non-audit fees paid to the company's auditor was £nil (2016: £nil).

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Number of production staff	21	20
Number of administrative staff	7	7
	28	27

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,436,366	1,337,762
Social security costs	154,689	141,766
Pension costs	61,332	61,431
	1,652,387	1,540,959

Directors emoluments are paid by the ultimate parent undertaking. Details of these costs can be found in the financial statements of Maicerias Espanolas SA. The total remuneration of the managers, who are considered to be the key management personnel of the Company, was £100,068 *(2016:* £94,707*)*.

7 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Bank deposits	88	783

Investment income includes the following:

	2017	2016
	£	£
Interest on financial assets not measured at fair value through profit or loss	88	783

8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	101,777	76,049
Other finance costs:		
Other interest	10,018	37,090
	111,795	113,139

9 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	706,506	1,134,358
Deferred tax		
Origination and reversal of timing differences	25,805	(11,167)
Changes in tax rates	-	(13,194)
Total deferred tax	25,805	(24,361)
Total tax charge	732,311	1,109,997

9 Taxation **(Continued)**

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2017	2016
	£	£
Profit before taxation	3,753,619	5,530,948
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	713,188	1,106,190
Tax effect of expenses that are not deductible in determining taxable profit	1,277	1,390
Permanent capital allowances in excess of depreciation	5,074	26,778
Amortisation on assets not qualifying for tax allowances	12,389	-
Deferred tax adjustments in respect of prior years	-	(24,361)
Effect of change in tax rate	383	-
Taxation for the year	732,311	1,109,997

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015 was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly. The deferred tax liability at 31 December 2017 has been calculated based on these rates.

10 Dividends

	2017	2016
	£	£
Final paid	5,323,380	7,685,820
	5,323,380	7,685,820

The dividend for the year ended 31 December 2017 was equivalent to £5,323 per share (2016: £7,686 per share).

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2017 and 31 December 2017	1,110,033
Amortisation	
At 1 January 2017	653,598
Amortisation charged for the year	65,205
At 31 December 2017	718,803
Carrying amount	
At 31 December 2017	391,230
At 31 December 2016	456,435

12 Tangible fixed assets

	Land and buildings leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2017	1,199,973	165,802	2,990,158	9,796	2,248	4,367,977
Additions	-	469,448	-	-	-	469,448
Transfers	20,970	(605,060)	578,315	5,775	-	-
At 31 December 2017	1,220,943	30,190	3,568,473	15,571	2,248	4,837,425
Depreciation and impairment						
At 1 January 2017	1,095,147	-	2,264,852	9,796	2,248	3,372,043
Depreciation charged in the year	33,881	-	105,968	-	-	139,849
At 31 December 2017	1,129,028	-	2,370,820	9,796	2,248	3,511,892
Carrying amount						
At 31 December 2017	91,915	30,190	1,197,653	5,775	-	1,325,533
At 31 December 2016	104,826	165,802	725,306	-	-	995,934

13 Derivative financial instruments

	2017	2016
	£	£
Group		
Derivatives at fair value through profit and loss		
Assets		
Forward foreign currency contracts	65,543	83,823

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest swaps.

14 Stocks

	2017	2016
	£	£
Raw materials and consumables	8,302,211	10,842,590
Finished goods and goods for resale	639,037	728,679
	8,941,248	11,571,269

15 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	3,118,793	4,279,711
Derivative financial instruments	65,543	83,823
Other debtors	118,164	74,551
Prepayments	162,414	132,760
	3,464,914	4,570,845

16 Creditors: amounts falling due within one year

	2017	2016
	£	£
Corporation tax payable	342,367	604,757
Other taxation and social security	21,022	15,711
Trade creditors	726,880	615,486
Amounts due to fellow group undertakings	12,350,018	12,886,203
Accruals and deferred income	158,404	118,993
	13,598,691	14,241,150

Amounts owed to group undertakings totalling £12,350,018 (2016: £12,886,203) incur interest and are repayable on demand.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017	Liabilities 2016
Balances:	£	£
Accelerated capital allowances	89,407	63,602

There were no deferred tax movements in the year.

The deferred tax liability at 31 December 2017 has been calculated based on the rate of 17%. The expected future tax rate that had been substantively enacted at the balance sheet date. There is no expiry date on timing differences, unused tax losses or tax credits.

18 Retirement benefit schemes

Defined contribution schemes

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £61,332 (2016: £61,431).

19 Share capital

	2017	2016
	£	£
Ordinary share capital		
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
Issued and fully paid		
1,000 Ordinary Shares of £1 each	1,000	1,000

20 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 (33.1A) not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

21 Operating lease commitments

At the reporting end date the company had outstanding commitments for total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	9,984	9,984
Between two and five years	24,128	34,112
	34,112	44,096

22 Controlling party

The company is a wholly owned subsidiary of Maicerias Espanolas SA, a company incorporated in Spain with its registered office at Ctra Barcelona K.m 5, 46132 Almassera (Valencia). Maicerias Espanolas SA is owned by the directors of DACSA Limited.

The smallest and largest group of comapnies, of which the company is a member that produces consolidated financial statements is Maicerias Espoanolas SA, a company incorporated in Spain.

The ultimate controlling party is Maicerias Espanolas SA, Ctra Barcelona K.m 5, 46132 Almassera (Valencia), Spain.

23 Cash generated from operations

	2017	2016
	£	£
Profit for the year	3,021,308	4,420,951
Adjustments for:		
Income tax expense recognised in profit or loss	732,311	1,109,997
Finance costs recognised in profit or loss	111,795	113,139
Investment income recognised in profit or loss	(88)	(783)
Amortisation of intangible assets	65,205	65,206
Depreciation of tangible fixed assets	139,849	184,622
Movements in working capital:		
Decrease/(increase) in stocks	2,630,021	(290,943)
Decrease/(increase) in debtors	1,105,930	(2,128,985)
(Decrease)/increase in creditors	(380,068)	4,805,604
Cash generated from operations	7,426,263	8,278,808