

Company Registration No. 00491211 (England and Wales)

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2014



AGRICULTURAL MACHINERY (NANTWICH) LIMITED

COMPANY INFORMATION

Directors	R C Hughes S A Cornthwaite J E Ashe
Secretary	J E Ashe
Company number	00491211
Registered office	Millstone Lane Nantwich Cheshire CW5 5PJ
Auditors	Baker Tilly UK Audit LLP Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE
Business address	Millstone Lane Nantwich Cheshire CW5 5PJ
Bankers	Royal Bank of Scotland Plc 97 Fishergate Preston Lancashire PR1 2DP
Solicitors	Baines Wilson 2 Merchants Drive Carlisle Cumbria CA3 0JW

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

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AGRICULTURAL MACHINERY (NANTWICH) LIMITED

STRATEGIC' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

Principal activities and review of the business

The principal activity of the company continued to be that of the supply of new and used agricultural machinery, together with the ancillary services of repair, maintenance and supply of spare parts.

Fair review of business

The results for the year ended 28 February 2014 are considered to be satisfactory.

The key performance indicators of the business are turnover, gross profit and asset turn, all of which are monitored on a regular basis.

Principal risks and uncertainties

The principal risks and uncertainties that face the company are considered to be:

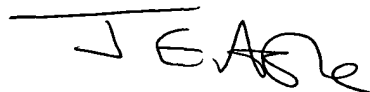
- the state of the agricultural industry as a whole within the country and the competition within that market
- the exchange rate between the pound and the currency of the company's principal markets for used machinery (in particular tractors) in Europe

The John Deere marque has enjoyed strong performance over the last few years and continues to be the leading manufacturer in the UK in terms of market share for tractors. However, the total registrations for new tractors in the UK 2013 fell by 10% in comparison to 2012 and this is reflected in a decrease in the company's turnover for the year under review.

The company's market share is significantly higher than John Deere's national average and whilst maintaining market share will be a challenge, the directors of the group believe that the commitment to developing staff and setting up a robust management structure will enable the business to mitigate, as far as is possible, the risks and uncertainties detailed above.

Registered office
Millstone Lane
Nantwich
Cheshire
CW5 5PJ

Signed by order of the directors



J E Ashe
Company secretary

13 June 2014

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

The directors present their report and financial statements for the year ended 28 February 2014.

Results and dividends

The results for the period are set out on page 6.

An interim dividend of £39.02 per share was paid on 28 February 2014.

The directors do not recommend the payment of any further dividend.

Future developments

The directors intend to explore any future opportunities to expand the company's customer base or its activities.

Directors

The following directors held office during the period:

R C Hughes
S A Cornthwaite
J E Ashe

Financial instruments

Financial risk management objectives and policies.

The operations of the company expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring the financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

The directors will revisit the appropriateness of the policy should the company's operation change size or nature.

Auditors

Baker Tilly Audit Limited (formerly RSM Tenon Audit Limited) ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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; 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Registered office
Millstone Lane
Nantwich
Cheshire
CW5 5PJ

Signed by order of the directors



J E Ashe
Company secretary

13 June 2014

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL MACHINERY
(NANTWICH) LIMITED**

We have audited the financial statements on pages 6 to 19. 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 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2014 and of 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRICULTURAL MACHINERY
(NANTWICH) LIMITED**

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 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

Jean Lowe (Senior Statutory Auditor)
For and on behalf of

Baker Tilly UK Audit Ltd

BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Date *13/6/14*

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED ENDED 28 FEBRUARY 2014

	Notes	2014 £	2013 £
Turnover	2	13,715,604	16,094,157
Cost of sales		(12,587,275)	(15,139,814)
Gross profit		1,128,329	954,343
Distribution costs		(466,107)	(486,575)
Administrative expenses		(564,809)	(570,521)
Other operating income		252,747	350,311
Operating profit	3	350,160	247,558
Interest payable and similar charges	4	(5,551)	(4,945)
Profit on ordinary activities before taxation		344,609	242,613
Tax on profit on ordinary activities	5	(80,308)	(50,317)
Profit for the year	16	264,301	192,296

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

There are no recognised gains and losses other than those passing through the profit and loss account.

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		144,443		160,877
Current Assets					
Stocks	8	4,083,291		2,213,494	
Debtors	9	2,319,863		2,073,713	
Cash at bank and in hand		651,068		267,667	
		<u>7,054,222</u>		<u>4,554,874</u>	
Creditors: amounts falling due within one year	10	<u>(4,687,213)</u>		<u>(2,253,210)</u>	
Net current assets			2,367,009		2,301,664
Total assets less current liabilities			<u>2,511,452</u>		<u>2,462,541</u>
Creditors: amounts falling due after more than one year	11		(18,081)		(33,520)
Provisions for liabilities and charges	13		(12,208)		(12,159)
			<u>2,481,163</u>		<u>2,416,862</u>
Capital and reserves					
Called up share capital	15		5,125		5,125
Capital redemption reserve	16		5,125		5,125
Profit and loss account	16		2,470,913		2,406,612
Shareholders' funds	17		<u>2,481,163</u>		<u>2,416,862</u>

The financial statements were approved by the Board on 13 June 2014



J E Ashe
Director

Company No. 00491211

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014		2013	
	£	£	£	£
Net cash inflow from operating activities		706,077		417,221
Returns on investments and servicing of finance				
Interest paid	(914)		(4)	
Interest element of hire purchase contracts	(4,637)		(4,941)	
Net cash outflow for returns on investments and servicing of finance		(5,551)		(4,945)
Taxation		(55,952)		(95,582)
Capital expenditure				
Payments to acquire tangible assets	(18,887)		(40,205)	
Receipts from sale of tangible assets	-		15,500	
Net cash outflow for capital expenditure		(18,887)		(24,705)
Equity dividends paid		(200,000)		(250,000)
Net cash inflow before management of liquid resources and financing		425,687		41,989
Financing				
Capital element of hire purchase contracts	(42,286)		(41,753)	
Net cash outflow from financing		(42,286)		(41,753)
Increase in cash in the year		383,401		236

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

1 Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	350,160	247,558
Depreciation of tangible assets	59,321	48,309
Profit on disposal of tangible assets	-	(5,092)
(Increase)/decrease in stocks	(1,869,797)	1,134,068
(Increase)/decrease in debtors	(246,150)	537,966
Increase/(decrease) in creditors within one year	2,412,543	(1,545,588)
Net cash inflow from operating activities	706,077	417,221

2 Analysis of net funds

	1 March 2013	Cash Flow	Other non cash changes	28 February 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	267,667	383,401	-	651,068
Bank overdrafts	-	-	-	-
	267,667	383,401	-	651,068
Debt:				
Finance leases	(69,983)	42,286	(24,000)	(51,697)
	(69,983)	42,286	(24,000)	(51,697)
Net funds	197,684	425,687	(24,000)	599,371

3 Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Increase in cash in the year	383,401	236
Cash inflow from increase in debt and lease financing	42,286	41,753
Change in net funds resulting from cash flows	425,687	41,989
New finance leases	(24,000)	(56,545)
Movement in net funds in the year	401,687	(14,556)
Opening net funds	197,684	212,240
Closing net funds	599,371	197,684

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided, on a straight line basis, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	3 to 5 years
Motor vehicles	5 years

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost or net realisable value. Cost is defined as the expenditure incurred in the normal course of business to bring the products to their present location and condition.

1.7 Deferred taxation

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

1 Accounting policies (Continued)

1.8 Foreign currency transactions

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the translation rates ruling at that date. These translation differences are dealt with in the profit and loss account.

1.9 Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

1.10 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

2 Turnover

Geographical market

	2014 £	2013 £
UK	13,588,104	16,021,266
Rest of World	127,500	72,891
	<u>13,715,604</u>	<u>16,094,157</u>

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of tangible assets	59,321	48,309
Operating lease costs:		
Land and buildings	75,000	70,000
Directors remuneration	70,580	77,744
Directors pension costs	5,980	5,980
Auditors' remuneration	4,000	3,850
	<u></u>	<u></u>
and after crediting:		
Profit on disposal of tangible assets	-	(5,092)
	<u></u>	<u></u>

4 Interest payable

	2014 £	2013 £
Hire purchase interest	4,637	4,941
Stocking finance interest	914	-
Interest on overdue corporation tax	-	4
	<u>5,551</u>	<u>4,945</u>

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

5 Taxation

	2014 £	2013 £
Domestic current period tax		
U.K. corporation tax	76,948	57,411
Adjustment for prior period	3,311	(3,560)
Current tax charge	80,259	53,851
Deferred tax		
Deferred tax charge/(credit) current period	49	(3,534)
	80,308	50,317
 Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	344,609	242,613
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.08% (2013: 24.17%)	79,536	58,640
 Effects of:		
Non deductible expenses	1,341	5,241
Depreciation add back	13,691	10,446
Capital allowances	(14,527)	(9,677)
Marginal relief	(3,093)	(7,239)
	(2,588)	(1,229)
Current tax charge	76,948	57,411

6 Dividends

	2014 £	2013 £
Interim dividends in respect of period ended 28 February 2014		
Ordinary shares	200,000	250,000
28 February 2014: £39.02 per share (2013: £48.78 per share)		

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

7 Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost			
At 1 March 2013	136,859	312,967	449,826
Additions	10,777	32,110	42,887
Disposals	-	-	-
At 28 February 2014	147,636	345,077	492,713
Depreciation			
At 1 March 2013	122,760	166,189	288,949
Charge for year	6,570	52,751	59,321
Disposals	-	-	-
At 28 February 2014	129,330	218,940	348,270
Net book value			
At 28 February 2014	18,306	126,137	144,443
At 28 February 2013	14,099	146,778	160,877

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 28 February 2014	98,507
At 28 February 2013	117,206
Depreciation charge for the year	
At 28 February 2014	28,355
At 28 February 2013	25,457

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

8	Stocks and work in progress	2014	2013
		£	£
	Raw materials and consumables	367,400	320,900
	Work in progress	16,924	12,083
	Finished goods and goods for resale	3,698,967	1,880,511
		<u>4,083,291</u>	<u>2,213,494</u>
9	Debtors	2014	2013
		£	£
	Trade debtors	1,315,142	941,068
	Due from parent and fellow subsidiary undertakings	854,745	1,120,821
	Other debtors	142,967	-
	Prepayments and accrued income	7,009	11,824
		<u>2,319,863</u>	<u>2,073,713</u>
10	Creditors: amounts falling due within one year	2014	2013
		£	£
	Other loans	146,085	-
	Net obligations under finance leases and hire purchase contracts	33,616	36,463
	Trade creditors	3,143,112	1,440,059
	Corporation tax	76,948	52,641
	Other taxes and social security costs	19,876	190,364
	Other creditors	3,970	2,449
	Accruals and deferred income	1,263,606	531,234
		<u>4,687,213</u>	<u>2,253,210</u>
	Debt due in one year or less	<u>146,085</u>	<u>-</u>

The bank facility is secured by a fixed and floating charge over all the assets of the company. In addition unlimited cross guarantees exist between the company and its ultimate parent, Cornthwaite Holdings Limited and fellow subsidiary, Cornthwaite Agricultural Limited.

Other loans are interest free stocking loans from John Deere Bank S.A. on used equipment traded in against new machines. These loans are secured on the equipment traded in.

The obligations under hire purchase contracts are secured on the assets subject to those contracts.

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Net obligations under finance leases and hire purchase contracts	18,081	33,520
	<u>18,081</u>	<u>33,520</u>
Analysis of loans		
Not wholly repayable within five years by instalments	-	-
Wholly repayable within five years	146,085	-
	<u>146,085</u>	<u>-</u>
Included in current liabilities	(146,085)	-
	<u>-</u>	<u>-</u>
Amount due after more than one year	-	-
	<u>-</u>	<u>-</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	35,904	40,326
Repayable between one and five years	18,626	34,739
	<u>54,530</u>	<u>75,065</u>
Finance charges and interest allocated to future accounting periods	(2,833)	(5,082)
	<u>51,697</u>	<u>69,983</u>
Included in liabilities falling due within one year	(33,616)	(36,463)
	<u>18,081</u>	<u>33,520</u>

The aggregate amount of secured creditors is £197,782 (2013: £69,983).

12 Operating lease commitments

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2014 £	2013 £
Expiring: Between one and five years	<u>75,000</u>	<u>75,000</u>

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 March 2013	12,159
Profit and loss account	49
	<u>12,208</u>
Balance at 28 February 2014	<u>12,208</u>

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	12,208	12,159
	<u>12,208</u>	<u>12,159</u>

14 Pension costs

The company operates a number of defined contribution pension schemes. The charge for the period is:

	2014 £	2013 £
	25,031	24,279
	<u>25,031</u>	<u>24,279</u>

The amount of pension contributions outstanding at the year end was £3,970 (2013: £2,449)

The number of directors to whom retirement benefits are accruing under defined contribution schemes in respect of qualifying services.

	1	1
	<u>1</u>	<u>1</u>

15 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
5,125 Ordinary shares of £1 each	5,125	5,125
	<u>5,125</u>	<u>5,125</u>

16 Statement of movement on reserves

	Capital redemption reserve £	Profit and loss account £
Balance at 1 March 2013	5,125	2,406,612
Profit for the year	-	264,301
Dividends paid		(200,000)
	<u>5,125</u>	<u>2,470,913</u>
Balance at 28 February 2014	<u>5,125</u>	<u>2,470,913</u>

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

17 Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Profit for the financial year	264,301	192,296
Dividends	(200,000)	(250,000)
	<hr/>	<hr/>
Increase/(decrease) in shareholders funds	64,301	(57,704)
Opening shareholders' funds	2,416,862	2,474,566
	<hr/>	<hr/>
Closing shareholders' funds	2,481,163	2,416,862
	<hr/>	<hr/>

18 Contingent liabilities

The company has given an unlimited guarantee in respect of the bank borrowings of its fellow subsidiary company, Cornthwaite Agricultural Limited, and ultimate parent, Cornthwaite Holdings Limited. This guarantee is supported by a debenture on all companies and by legal charges over land and buildings owned by Cornthwaite Agricultural Limited.

At the year end the potential liability amounted to £269,007 (2013: £350,403).

19 Related party transactions

The amount owing from Cornthwaite Investments (AG) Limited at 28 February 2014 was £669,700 (2013: £816,230).

The amount owing from a fellow group subsidiary, Cornthwaite Agricultural Limited, at 28 February 2014 was £185,045 (2013: £304,591).

Cornthwaite Investments (AG) Limited, a company registered in England and Wales, owns 100% of the issued share capital of Agricultural Machinery (Nantwich) Limited. A dividend of £200,000 (2013: £250,000) was paid by the company to its parent.

During the year the following transactions took place between Agricultural Machinery (Nantwich) Limited and Cornthwaite Agricultural Limited.

Sales: £2,796,613 (2013: £3,433,878)

Purchases: £1,146,796 (2013: £1,341,066)

20 Control

The ultimate holding company is Cornthwaite Holdings Limited, a company registered in England and Wales.

The ultimate controlling party is S A Cornthwaite, the sole director and shareholder of that company.

Copies of the consolidated financial statements of Cornthwaite Holdings Limited, which is both the smallest and largest group for which consolidated financial statements are prepared, may be obtained from Cornthwaite Holdings Limited, Hall Lane, Bispham Green, Ormskirk, Lancs L40 3SB.

AGRICULTURAL MACHINERY (NANTWICH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Aftersales - parts and service	20	17
Salesmen	3	3
Management and administration	6	6
	<hr/> 29	<hr/> 26
	<hr/> <hr/>	<hr/> <hr/>
	£	£
Wages and salaries	800,411	804,207
Social security costs	79,498	81,373
Other pension costs	25,031	24,279
	<hr/> 904,940	<hr/> 909,859
	<hr/> <hr/>	<hr/> <hr/>