

Company Registration No. 00491211 (England and Wales)

# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2015**

TUESDAY



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# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr S A Cornthwaite Mr J E Ashe Mr R C Hughes
<b>Secretary</b>	Mr J E Ashe
<b>Company number</b>	00491211
<b>Registered office</b>	Millstone Lane Nantwich CW5 5PJ
<b>Auditor</b>	Moore and Smalley LLP Kendal House Murley Moss Business Village Oxenholme Road Kendal LA9 7RL
<b>Bankers</b>	Royal Bank of Scotland Plc RBS Bank PO Box 58 97 Fishergate Preston PR1 2DP
<b>Solicitors</b>	Baines Wilson LLP 2 Merchants Drive Carlisle CA3 0JW

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# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

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# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2015

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The directors present the strategic report and financial statements for the year ended 28 February 2015.

### 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.

The results for the year ended 28 February 2015 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.

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.

By order of the board



Mr J E Ashe

Secretary

27/10/2015

# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 28 FEBRUARY 2015**

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The directors present their report and financial statements for the year ended 28 February 2015.

### **Results and dividends**

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

An interim dividend of £58.54 per share was paid on 28 February 2015.

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 have held office since 1 March 2014:

Mr S A Cornthwaite

Mr J E Ashe

Mr R C Hughes

### **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 of the financial performance of the company by monitoring levels of debt finance and 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.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Moore and Smalley LLP be reappointed as auditor of the company will be put at a General Meeting.

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

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### Statement of directors' responsibilities

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 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 these financial statements, the directors are required to:


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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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.

### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

  
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Mr J E Ashe  
Secretary  
27/10/2015

# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

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We have audited the financial statements of Agricultural Machinery (Nantwich) Limited for the year ended 28 February 2015 set out on pages 6 to 20. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to 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 financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 2015 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

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#### **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.



**Ian Clark (Senior Statutory Auditor)**  
**for and on behalf of Moore and Smalley LLP**  
**Chartered Accountants**  
**Statutory Auditor**

Kendal House  
Murley Moss Business Village  
Oxenholme Road  
Kendal  
LA9 7RL

29/10/15



# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2015

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	Notes	2015 £	2014 £
Turnover	2	15,764,626	13,715,604
Cost of sales		(14,900,447)	(12,587,275)
<b>Gross profit</b>		<b>864,179</b>	<b>1,128,329</b>
Distribution costs		(443,694)	(466,107)
Administrative expenses		(552,063)	(564,809)
Other operating income		317,378	252,747
<b>Operating profit</b>	<b>3</b>	<b>185,800</b>	<b>350,160</b>
Interest payable and similar charges	5	(5,110)	(5,551)
<b>Profit on ordinary activities before taxation</b>		<b>180,690</b>	<b>344,609</b>
Tax on profit on ordinary activities	6	(39,637)	(80,308)
<b>Profit for the year</b>	<b>17</b>	<b>141,053</b>	<b>264,301</b>

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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 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	8		151,984		144,443
<b>Current assets</b>					
Stocks	9	4,758,684		4,083,291	
Debtors	10	1,245,677		2,319,863	
Cash at bank and in hand		365,882		651,068	
		6,370,243		7,054,222	
<b>Creditors: amounts falling due within one year</b>	11	(4,167,920)		(4,687,213)	
<b>Net current assets</b>			2,202,323		2,367,009
<b>Total assets less current liabilities</b>			2,354,307		2,511,452
<b>Creditors: amounts falling due after more than one year</b>	12		(18,909)		(18,081)
<b>Provisions for liabilities</b>	14		(13,182)		(12,208)
			2,322,216		2,481,163
<b>Capital and reserves</b>					
Called up share capital	16		5,125		5,125
Other reserves	17		5,125		5,125
Profit and loss account	17		2,311,966		2,470,913
<b>Shareholders' funds</b>	18		2,322,216		2,481,163

Approved by the Board and authorised for issue on 27/10/2015



Mr J E Ashe  
Director

Company Registration No. 00491211

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2015

	£	2015 £	£	2014 £
<b>Net cash inflow from operating activities</b>		217,916		559,992
<b>Returns on investments and servicing of finance</b>				
Interest paid	(5,110)		(5,551)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(5,110)		(5,551)
<b>Taxation</b>		(76,948)		(55,952)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(31,840)		(18,887)	
Receipts from sales of tangible assets	6,891		-	
<b>Net cash outflow for capital expenditure</b>		(24,949)		(18,887)
<b>Equity dividends paid</b>		(300,000)		(200,000)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(189,091)		279,602
<b>Financing</b>				
Other new short term loans	95,000		146,085	
Repayment of other short term loans	(146,085)		-	
Capital element of hire purchase contracts	(45,010)		(42,286)	
<b>Net cash (outflow)/inflow from financing</b>		(96,095)		103,799
<b>(Decrease)/increase in cash in the year</b>		(285,186)		383,401

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2015

1 Reconciliation of operating profit to net cash outflow from operating activities	2015	2014
	£	£
Operating profit	185,800	350,160
Depreciation of tangible assets	64,764	59,321
Profit on disposal of tangible assets	(5,356)	-
Increase in stocks	(675,393)	(1,869,797)
Decrease/(increase) in debtors	1,074,186	(246,150)
(Decrease)/Increase in creditors within one year	(426,085)	2,266,458
<b>Net cash inflow from operating activities</b>	<b>217,916</b>	<b>559,992</b>

2 Analysis of net funds	1 March 2014	Cash flow	Other non-cash changes	28 February 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	651,068	(285,186)	-	365,882
Debt:				
Finance leases	(51,697)	45,010	(42,000)	(48,687)
Debts falling due within one year	(146,085)	51,085	-	(95,000)
	(197,782)	96,095	(42,000)	(143,687)
<b>Net funds</b>	<b>453,286</b>	<b>(189,091)</b>	<b>(42,000)</b>	<b>222,195</b>

3 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
(Decrease)/increase in cash in the year	(285,186)	383,401
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	96,095	(103,799)
Change in net debt resulting from cash flows	(189,091)	279,602
New finance lease	(42,000)	(24,000)
<b>Movement in net funds in the year</b>	<b>(231,091)</b>	<b>255,602</b>
Opening net funds	453,286	197,684
<b>Closing net funds</b>	<b>222,195</b>	<b>453,286</b>

# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 28 FEBRUARY 2015**

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### **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 change 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 and net realisable value. Cost is defined as the expenditure incurred in the normal course of the business to bring the products to their present location and condition.

#### **1.7 Pensions**

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.

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

### 1 Accounting policies

(Continued)

#### 1.8 Deferred taxation

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposals 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 timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement 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 the financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### 1.10 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 within the profit and loss account.

### 2 Turnover

#### Geographical market

	Turnover	
	2015	2014
	£	£
UK	15,561,051	13,588,104
Rest of the World	203,575	127,500
	<u>15,764,626</u>	<u>13,715,604</u>

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

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<b>3</b>	<b>Operating profit</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	64,764	59,321
	Operating lease rentals	75,000	75,000
	Auditors' remuneration (including expenses and benefits in kind)	4,000	4,000
	and after crediting:		
	Profit on disposal of tangible assets	(5,356)	-
		<u>          </u>	<u>          </u>

<b>4</b>	<b>Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	72,157	70,580
	Company pension contributions to defined contribution schemes	5,980	5,980
		<u>          </u>	<u>          </u>
		78,137	76,560
		<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

<b>5</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	4,428	4,637
	Other interest	682	914
		<u>          </u>	<u>          </u>
		5,110	5,551
		<u>          </u>	<u>          </u>

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

6	Taxation	2015 £	2014 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	38,663	76,948
	Adjustment for prior years	-	3,311
	<b>Total current tax</b>	<u>38,663</u>	<u>80,259</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	974	49
		<u>39,637</u>	<u>80,308</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>180,690</u>	<u>344,609</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.17% (2014 - 23.08%)	<u>38,252</u>	<u>79,536</u>
	Effects of:		
	Non deductible expenses	4,042	1,341
	Depreciation add back	12,577	13,691
	Capital allowances	(15,293)	(14,527)
	Adjustments to prior years	-	3,311
	Marginal relief	(915)	(3,093)
		<u>411</u>	<u>723</u>
	<b>Current tax charge for the year</b>	<u>38,663</u>	<u>80,259</u>
7	<b>Dividends</b>	2015 £	2014 £
	Ordinary interim paid	<u>300,000</u>	<u>200,000</u>

27 February 2015: £58.54 per share (2014: £39.02 per share).



# **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2015**

### **8 Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 March 2014	147,636	345,077	492,713
Additions	5,275	68,565	73,840
Disposals	-	(18,410)	(18,410)
	<u>152,911</u>	<u>395,232</u>	<u>548,143</u>
At 28 February 2015			
<b>Depreciation</b>			
At 1 March 2014	129,330	218,940	348,270
On disposals	-	(16,875)	(16,875)
Charge for the year	7,845	56,919	64,764
	<u>137,175</u>	<u>258,984</u>	<u>396,159</u>
At 28 February 2015			
<b>Net book value</b>			
At 28 February 2015	15,736	136,248	151,984
	<u>18,306</u>	<u>126,137</u>	<u>144,443</u>
At 28 February 2014			

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

	<b>Motor vehicles £</b>
<b>Net book values</b>	
At 28 February 2015	114,113
	<u>98,507</u>
At 28 February 2014	
<b>Depreciation charge for the year</b>	
At 28 February 2015	34,854
	<u>28,355</u>
At 28 February 2014	

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

<b>9</b>	<b>Stocks and work in progress</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	373,168	367,400
	Work in progress	11,827	16,924
	Finished goods and goods for resale	4,373,689	3,698,967
		<u>4,758,684</u>	<u>4,083,291</u>
<b>10</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade debtors	642,883	1,315,142
	Amounts owed by parent and fellow subsidiary undertakings	533,548	854,745
	Other debtors	290	142,967
	Prepayments and accrued income	68,956	7,009
		<u>1,245,677</u>	<u>2,319,863</u>
<b>11</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Net obligations under hire purchase contracts	29,778	33,616
	Trade creditors	2,206,327	3,143,112
	Corporation tax	38,663	76,948
	Other taxes and social security costs	20,535	19,876
	Other creditors	111,693	150,055
	Accruals and deferred income	1,760,924	1,263,606
		<u>4,167,920</u>	<u>4,687,213</u>
	Debt due in one year or less	<u>95,000</u>	<u>146,085</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 (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

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<b>12 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net obligations under hire purchase contracts	18,909	18,081
	<u>          </u>	<u>          </u>
The aggregate amount of secured creditors is £143,687 (2014: £197,782).		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	31,887	35,904
Repayable between one and five years	19,585	18,626
	<u>          </u>	<u>          </u>
	51,472	54,530
Finance charges and interest allocated to future accounting periods	(2,785)	(2,833)
	<u>          </u>	<u>          </u>
	48,687	51,697
Included in liabilities falling due within one year	(29,778)	(33,616)
	<u>          </u>	<u>          </u>
	18,909	18,081
	<u>          </u>	<u>          </u>

### 13 Financial commitments

At 28 February 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2016:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Between two and five years	159,000	75,000
	<u>          </u>	<u>          </u>

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

### 14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 March 2014	12,208
Profit and loss account	974
	<u>          </u>
Balance at 28 February 2015	<u>13,182</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>13,182</u>	<u>12,208</u>

### 15 Retirement Benefits

#### Defined contribution scheme

The amount of pension contributions outstanding at the year end was £16,693 (2014: £3,970).

	2015 £	2014 £
Contributions payable by the company for the year	<u>36,910</u>	<u>25,031</u>

### 16 Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
5,125 Ordinary shares of £1 each	<u>5,125</u>	<u>5,125</u>

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

### 17 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 March 2014	5,125	2,470,913
Profit for the year	-	141,053
Dividends paid	-	(300,000)
	<u>5,125</u>	<u>2,311,966</u>
Balance at 28 February 2015	<u>5,125</u>	<u>2,311,966</u>
<b>Other reserves</b>		
<b>Capital redemption reserve</b>		
Balance at 1 March 2014 & at 28 February 2015	<u>5,125</u>	

### 18 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	141,053	264,301
Dividends	(300,000)	(200,000)
	<u>(158,947)</u>	<u>64,301</u>
Net (depletion in)/addition to shareholders' funds	<u>(158,947)</u>	<u>64,301</u>
Opening Shareholders' funds	2,481,163	2,416,862
	<u>2,322,216</u>	<u>2,481,163</u>
Closing Shareholders' funds	<u>2,322,216</u>	<u>2,481,163</u>

### 19 Contingent liabilities

The company has given an unlimited guarantee in respect of the bank borrowings of its fellow subsidiary company, Cornthwaite Agricultural Limited, and the 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 £185,221 (2014: £269,007)

The company, together with Cornthwaite Agricultural Limited and Cornthwaite Holdings Limited, has given a limited guarantee of £1,275,000 in respect of the bank borrowings of Cornthwaite Properties Limited. This guarantee is supported by a debenture on Cornthwaite Properties Limited and by legal charges over land and buildings owned by Cornthwaite Properties Limited.

At the year end the potential liability amounted to £1,275,000 (2014: £Nil).

## **AGRICULTURAL MACHINERY (NANTWICH) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2015**

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#### **20 Related party transactions**

The amount owing from Cornthwaite Investments (AG) Limited at 28 February 2015 was £519,800 (2014: £669,700).

The amount owing from a fellow group subsidiary, Cornthwaite Agricultural Limited, at 28 February 2015 was £13,748 (2014: £185,045).

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 £300,000 (2014: £200,000) 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:	£3,031,076	(2014: £2,796,613)
Purchases	£678,159	(2014: £1,146,796)

On 30 January 2015 the company entered into a 5 year lease with Cornthwaite Properties Limited in respect of premises at Millstone Lane, Nantwich. The annual rent is £135,000 per annum. Cornthwaite Properties Limited is a company controlled by S A Cornthwaite.

#### **21 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 financial statements are prepared, may be obtained from Cornthwaite Holdings Limited, Hall Lane, Bispham Green, Ormskirk, Lancashire, L40 3SB.

# AGRICULTURAL MACHINERY (NANTWICH) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

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### 22 Employees

#### Number of employees

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

	2015 Number	2014 Number
Aftersales - parts and service	20	20
Salesmen	3	3
Management and administration	6	6
	<u>29</u>	<u>29</u>

#### Employment costs

	2015 £	2014 £
Wages and salaries	839,998	800,411
Social security costs	83,260	79,498
Other pension costs	36,910	25,031
	<u>960,168</u>	<u>904,940</u>