

**REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL
INDUSTRIAL SERVICES LIMITED)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2012**

MONDAY



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COMPANIES HOUSE

BLOOMER HEAVEN LIMITED
Chartered Accountants & Registered Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

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REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2012**

The directors present their report and the financial statements for the year ended 31 October 2012

Principal activity

The company's principal activity continued to be the sale, servicing and repair of agricultural machinery and accessories

Business review

The business has suffered from difficult trading conditions during the second half of the financial year. These trading conditions continue to impact upon the trading performance of the company.

Results

The profit for the year, after taxation, amounted to £41,492 (2011 - £29,736)

Directors

The directors who served during the year were

S W Clarke
S Potter

Directors' responsibilities statement

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2012**

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that


- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The audit business of Farmiloes LLP, who had previously been appointed as the company's auditor has merged with that of Bloomer Heaven Limited who succeeded to the office of auditor to the company. The audit report on the financial statements has therefore been issued by Bloomer Heaven Limited.

The auditor, Bloomer Heaven Limited, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 June 2013 and signed by order of the board by



**C.J.J. Walsh
Secretary**

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

We have audited the financial statements of Rea Valley Tractors (Sudbury) Limited (formerly Agricultural Industrial Services Limited) for the year ended 31 October 2012, set out on pages 5 to 15. 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 opinion we have formed.

Respective responsibilities of directors and auditor

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. 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 31 October 2012 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

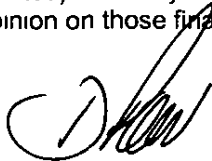
Matters on which we are required to report by exception

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

Other matter

The financial statements of Rea Valley Tractors (Sudbury) Limited (formerly Agricultural Industrial Services Limited) for the year ended 31 October 2011 were audited by another auditor who expressed an unmodified opinion on those financial statements on 25 May 2012



David Purser FCA (Senior Statutory Auditor)
for and on behalf of Bloomer Heaven Limited (Statutory Auditor)
Chartered Accountants & Registered Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

26 June 2013

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2012**

	Note	2012 £	2011 £
Turnover	1,2	15,448,307	14,024,529
Cost of sales		(14,418,821)	(12,922,326)
Gross profit		1,029,486	1,102,203
Distribution costs		(562,826)	(504,256)
Administrative expenses		(418,160)	(508,355)
Operating profit	3	48,500	89,592
Interest payable and similar charges	6	(43,158)	(34,831)
Profit on ordinary activities before taxation		5,342	54,761
Tax on profit on ordinary activities	7	36,150	(25,025)
Profit for the financial year	15	41,492	29,736

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 15 form part of these financial statements

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

REGISTERED NUMBER. 02788062

**BALANCE SHEET
AS AT 31 OCTOBER 2012**

	Note	£	2012 £	£	2011 £	£
Fixed assets						
Tangible assets	8		483,820			1,265,101
Current assets						
Stocks	9	3,829,736		3,948,396		
Debtors	10	1,139,485		1,297,685		
Cash at bank		2,186		4,377		
			<u>4,971,407</u>		<u>5,250,458</u>	
Creditors: amounts falling due within one year	11	(4,337,286)		(5,370,746)		
Net current assets/(liabilities)			<u>634,121</u>		<u>(120,288)</u>	
Total assets less current liabilities			<u>1,117,941</u>		<u>1,144,813</u>	
Creditors: amounts falling due after more than one year	12		(93,124)		(125,338)	
Provisions for liabilities						
Deferred tax	13		(66,500)		(102,650)	
Net assets			<u>958,317</u>		<u>916,825</u>	
Capital and reserves						
Called up share capital	14	281,000		281,000		
Profit and loss account	15	677,317		635,825		
Shareholders' funds	16		<u>958,317</u>		<u>916,825</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2013

Stephen Potter

**S. Potter
Director**

The notes on pages 7 to 15 form part of these financial statements

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Turnover on lease activities is recognised on a time apportioned basis

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short term leasehold property	-	33 3% straight line basis
Plant & machinery	-	25% reducing balance basis
Motor vehicles	-	25% reducing balance basis
Fixtures & fittings	-	25% reducing balance basis
Hire fleet	-	12 5% reducing balance basis

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

1. Accounting Policies (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. Turnover

The turnover was derived from the company's principal activity. This year turnover amounted to £15,400,336 (2011 £13,978,504). Commissions receivable amounted to £47,971 (2011 £46,025)

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	15,179,694	13,350,291
Rest of European Union	134,575	674,238
Rest of world	134,038	-
	<u>15,448,307</u>	<u>14,024,529</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

3. Operating profit

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	112,049	125,628
- held under finance leases	43,059	61,643
Auditor's remuneration	6,750	6,500
Operating lease rentals		
- other operating leases	140,094	122,625
	<u>140,094</u>	<u>122,625</u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	981,107	917,393
Other pension costs	-	4,095
	<u>981,107</u>	<u>921,488</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Administration	2	2
Sales and servicing	25	22
	<u>27</u>	<u>24</u>

5 Directors' remuneration

	2012 £	2011 £
Emoluments	-	15,000
	<u>-</u>	<u>15,000</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

6. Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	38,182	16,217
On finance leases and hire purchase contracts	4,976	18,614
	<u>43,158</u>	<u>34,831</u>

7. Taxation

	2012	2011
	£	£
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit for the year	-	(19,250)
Deferred tax (see note 13)		
Movement in the year	<u>(36,150)</u>	<u>44,275</u>
Tax on profit on ordinary activities	<u>(36,150)</u>	<u>25,025</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 20% (2011 - 26.83%). The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>5,342</u>	<u>54,761</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 26.83%)	1,068	14,692
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	505	1,961
Capital allowances for year in excess of depreciation	-	(5,388)
Utilisation of tax losses	(2,392)	-
Profit on sale of fixed assets	(5,535)	(30,515)
Depreciation charge in excess of capital allowances	31,022	-
Group relief	(24,668)	-
Current tax charge/(credit) for the year (see note above)	<u>-</u>	<u>(19,250)</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

7. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

8 Tangible fixed assets

	Short term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Hire fleet £	Total £
Cost						
At 1 November 2011	30,814	109,637	365,710	119,354	1,111,786	1,737,301
Additions	-	124	42,297	1,649	90,500	134,570
Disposals	-	-	(24,000)	-	(852,834)	(876,834)
At 31 October 2012	30,814	109,761	384,007	121,003	349,452	995,037
Depreciation						
At 1 November 2011	26,242	81,724	211,805	83,225	69,204	472,200
Charge for the year	3,167	6,977	44,137	9,639	91,188	155,108
On disposals	-	-	(15,400)	-	(100,691)	(116,091)
At 31 October 2012	29,409	88,701	240,542	92,864	59,701	511,217
Net book value						
At 31 October 2012	1,405	21,060	143,465	28,139	289,751	483,820
At 31 October 2011	4,572	27,913	153,905	36,129	1,042,582	1,265,101

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Motor vehicles	42,039	69,541
Hire fleet	287,949	988,308
	<u>329,988</u>	<u>1,057,849</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

9. Stocks

	2012	2011
	£	£
Goods for resale	3,829,736	3,948,396

10. Debtors

	2012	2011
	£	£
Trade debtors	735,316	1,009,431
Other debtors	394,663	278,654
Prepayments and accrued income	9,506	9,600
	1,139,485	1,297,685

11. Creditors.

Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	7,614	564,904
Net obligations under finance leases and hire purchase contracts	222,709	737,010
Trade creditors	3,251,092	3,463,421
Amounts owed to group undertakings	17,350	704
Social security and other taxes	252,178	39,360
Other creditors	484,876	486,722
Accruals and deferred income	101,467	78,625
	4,337,286	5,370,746

The bank loans and overdrafts of £7,614 (2011 £564,904) are secured by a debenture over the assets of the company

Included within creditors are stocking loans of £727,363 (2011 £250,314) on used equipment traded in against new machines. These loans are secured on the equipment traded in

Net obligations under finance leases and hire purchase contracts of £222,709 (2011 £737,010) are secured upon the assets to which the leases relate

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

12. Creditors
Amounts falling due after more than one year

	2012	2011
	£	£
Net obligations under finance leases and hire purchase contracts	93,124	125,338

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2012	2011
	£	£
Between one and five years	93,124	125,338

Net obligations under finance leases and hire purchase contracts falling due after more than one year of £93,124 (2011 £125,338) are secured upon the assets to which the leases relate

13. Deferred taxation

	2012	2011
	£	£
At beginning of year	102,650	58,375
(Released during)/charge for year	(36,150)	44,275
At end of year	66,500	102,650

The provision for deferred taxation is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	66,500	105,708
Tax losses carried forward	-	(3,058)
	66,500	102,650

Full provision has been made for deferred taxation on timing differences between profits for taxation purposes and profits stated in the accounts. The above provisions are based on an anticipated rate of 23% (2011 24.83%) being applicable in the periods that timing differences are expected to reverse.

14. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
281,000 Ordinary shares of £1 each	281,000	281,000

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

15. Reserves

	Profit and loss account £
At 1 November 2011	635,825
Profit for the year	41,492
	<u>677,317</u>
At 31 October 2012	<u>677,317</u>

16. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	916,825	887,089
Profit for the year	41,492	29,736
	<u>958,317</u>	<u>916,825</u>
Closing shareholders' funds	<u>958,317</u>	<u>916,825</u>

17. Contingent liabilities

The company is party to a cross guarantee and debenture with The Co-operative Bank plc to cover the following liabilities existing at the year end Dunstall Holdings Limited £1,408,891 (2011 £599,509), Rea Valley Tractors Limited £1,040,814 (2011 £Nil) and Agricultural Industrial Services Limited £7,614 (2011 £580,852)

18. Operating lease commitments

At 31 October 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £	2011 £
Expiry date:		
Between 2 and 5 years	<u>76,696</u>	<u>76,696</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED (FORMERLY AGRICULTURAL INDUSTRIAL SERVICES LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2012**

19. Related party transactions

During the year Dunstall Estate, a business run by S W Clarke, a director, purchased goods from the company of £232,278 (2011 £77,934) and recharged costs to the company of £27,605 (2011 £66,718) At the year end a balance of £4,396 (2011 £23,547) was due from Dunstall Estate and is included within debtors

Included in creditors is a loan from S W Clarke of £411,226 (2011 £453,472) This loan is interest free, unsecured and repayable on demand

The company has taken advantage of the exemptions within Financial Reporting Standard Number 8 to not disclose transactions included within the consolidated accounts of its ultimate parent undertaking

20. Ultimate parent undertaking and controlling party

The ultimate holding company, Dunstall Holdings Limited, is under the control of S W Clarke who, at the balance sheet date, owned 100% of the issued share capital

Dunstall Holdings Limited prepares consolidated financial statements and a copy can be obtained from the registered office at,

Dunstall Estate Office Old Hall
Dunstall
Burton Upon Trent
Staffordshire
DE13 8BE