

Company Registration No 02788062 (England and Wales)

REA VALLEY TRACTORS (SUDBURY) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

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REA VALLEY TRACTORS (SUDBURY) LIMITED

COMPANY INFORMATION

Directors	Mr S W Clarke Mr S Potter
Secretary	Mr C J J Walsh
Company number	02788062
Registered office	Old Hall Dunstall Burton on Trent Staffordshire DE13 8BE
Auditors	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA
Business address	Ashacres Industrial Park Draycott in the Clay Sudbury Derbyshire DE6 5GX
Bankers	The Co-operative Bank p l c 118/120 Colmore Row Birmingham B3 3BA

REA VALLEY TRACTORS (SUDBURY) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 15

REA VALLEY TRACTORS (SUDBURY) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2013

The directors present their report and financial statements for the year ended 31 October 2013

Principal activities and review of the business

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

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 November 2012

Mr S W Clarke

Mr S Potter

Auditors

Dyke Yaxley Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of 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 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

REA VALLEY TRACTORS (SUDBURY) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors 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.

On behalf of the board



Mr S Potter

Director

17 April 2014

REA VALLEY TRACTORS (SUDBURY) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF REA VALLEY TRACTORS (SUDBURY) LIMITED

We have audited the financial statements of Rea Valley Tractors (Sudbury) Limited for the year ended 31 October 2013 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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. 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 2013 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

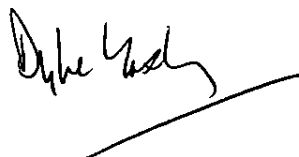
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF REA VALLEY TRACTORS (SUDBURY) 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



Mr Andrew Young (Senior Statutory Auditor)
for and on behalf of Dyke Yaxley Limited

22 April 2014

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

REA VALLEY TRACTORS (SUDBURY) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2013

	Notes	2013 £	2012 £
Turnover	2	13,063,661	15,448,307
Cost of sales		(11,357,013)	(13,899,786)
Gross profit		1,706,648	1,548,521
Distribution costs		(1,054,224)	(1,012,770)
Administrative expenses		(600,896)	(487,251)
Operating profit	3	51,528	48,500
Interest payable and similar charges	4	(41,008)	(43,158)
Profit on ordinary activities before taxation		10,520	5,342
Tax on profit on ordinary activities	5	5,886	36,150
Profit for the year	14	16,406	41,492

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

REA VALLEY TRACTORS (SUDBURY) LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	6		348,703		483,820
Current assets					
Stocks	7	3,066,309		3,829,736	
Debtors	8	1,574,697		1,139,485	
Cash at bank and in hand		1,511		2,186	
		<u>4,642,517</u>		<u>4,971,407</u>	
Creditors amounts falling due within one year	9	<u>(3,905,146)</u>		<u>(4,337,286)</u>	
Net current assets			<u>737,371</u>		<u>634,121</u>
Total assets less current liabilities			1,086,074		1,117,941
Creditors: amounts falling due after more than one year	10		(62,540)		(93,124)
Provisions for liabilities	11		<u>(48,811)</u>		<u>(66,500)</u>
			<u>974,723</u>		<u>958,317</u>
Capital and reserves					
Called up share capital	13		281,000		281,000
Profit and loss account	14		<u>693,723</u>		<u>677,317</u>
Shareholders' funds	15		<u>974,723</u>		<u>958,317</u>

Approved by the Board and authorised for issue on 17 April 2014

Stephen Potter

Mr S Potter
Director

Company Registration No 02788062

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

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 less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	33 3% straight line
Plant and machinery	25% reducing balance
Hire fleet	12 5% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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

Stock is valued at the lower of cost and net realisable value

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

1 Accounting policies

(continued)

1.9 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2013	2012
	£	£
United Kingdom	11,600,738	15,179,694
Rest of EU	596,248	134,575
Rest of world	866,675	134,038
	<u>13,063,661</u>	<u>15,448,307</u>

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	82,966	155,108
Operating lease rentals	149,799	140,094
Auditors' remuneration (including expenses and benefits in kind)	6,000	6,750
and after crediting		
Profit on disposal of tangible assets	<u>(15,657)</u>	<u>(27,677)</u>

4 Interest payable

	2013	2012
	£	£
On other loans wholly repayable within five years	38,648	38,182
Hire purchase interest	2,360	4,976
	<u>41,008</u>	<u>43,158</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U K corporation tax	11,803	-
	Total current tax	11,803	-
	Deferred tax		
	Deferred tax charge/credit current year	(17,689)	(36,150)
		(5,886)	(36,150)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	10,520	5,342
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20 00% (2012 - 20 00%)	2,104	1,068
	Effects of		
	Non deductible expenses	68	505
	Depreciation add back	13,462	25,486
	Capital allowances	(3,831)	-
	Tax losses utilised	-	(2,391)
	Other tax adjustments	-	(24,668)
		9,699	(1,068)
	Current tax charge for the year	11,803	-

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Hire fleet	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 November 2012	30,814	109,761	349,452	121,003	384,007	995,037
Additions	6,118	-	84,000	5,736	14,980	110,834
Disposals	-	(23,000)	(165,000)	-	(39,606)	(227,606)
At 31 October 2013	36,932	86,761	268,452	126,739	359,381	878,265
Depreciation						
At 1 November 2012	29,409	88,701	59,701	92,864	240,542	511,217
On disposals	-	(16,171)	(10,156)	-	(38,294)	(64,621)
Charge for the year	3,071	3,748	38,134	8,304	29,709	82,966
At 31 October 2013	32,480	76,278	87,679	101,168	231,957	529,562
Net book value						
At 31 October 2013	4,452	10,483	180,773	25,571	127,424	348,703
At 31 October 2012	1,405	21,060	289,751	28,139	143,465	483,820

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

	Motor vehicles and hire fleet £
Net book values	
At 31 October 2013	209,095
At 31 October 2012	329,988
Depreciation charge for the year	
At 31 October 2013	35,438
At 31 October 2012	43,060

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

7	Stocks	2013 £	2012 £
	Finished goods and goods for resale	3,066,309	3,829,736

8	Debtors	2013 £	2012 £
	Trade debtors	1,186,379	735,316
	Other debtors	217,967	394,663
	Prepayments and accrued income	170,351	9,506
		1,574,697	1,139,485

9	Creditors amounts falling due within one year	2013 £	2012 £
	Bank loans and overdrafts	20,335	7,614
	Net obligations under hire purchase contracts	152,057	222,709
	Trade creditors	2,592,232	3,251,092
	Amounts owed to parent and fellow subsidiary undertakings	166,544	17,350
	Corporation tax	11,803	-
	Other taxes and social security costs	278,540	252,178
	Directors' current accounts	411,227	411,226
	Other creditors	177,405	73,650
	Accruals and deferred income	95,003	101,467
		3,905,146	4,337,286

The bank loans and overdrafts are secured by a debenture over the assets of the company

Included within creditors are stocking loans of £407,674 (2012 £727,363) 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 are secured upon the assets to which the leases relate

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

10 Creditors, amounts falling due after more than one year	2013 £	2012 £
Net obligations under hire purchase contracts	62,540	93,124
Net obligations under hire purchase contracts		
Repayable within one year	152,057	222,709
Repayable between one and five years	62,540	93,124
	214,597	315,833
Included in liabilities falling due within one year	(152,057)	(222,709)
	62,540	93,124

Net obligations under finance leases and hire purchase contracts falling due after more than one year are secured upon the assets to which the leases relate

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2012	66,500
Profit and loss account	(17,689)
Balance at 31 October 2013	48,811

The deferred tax liability is made up as follows

	2013 £	2012 £
Accelerated capital allowances	48,811	66,500

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

12 Pension and other post-retirement benefit commitments

Defined contribution

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 pension cost charge represents contributions payable by the company to the fund.

	2013 £	2012 £
Contributions payable by the company for the year	13,560	11,836

13 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
281,000 Ordinary shares of £1 each	281,000	281,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2012	677,317
Profit for the year	16,406
Balance at 31 October 2013	693,723

15 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	16,406	41,492
Opening shareholders' funds	958,317	916,825
Closing shareholders' funds	974,723	958,317

16 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 £1,276,739 (2012 £1,408,891), Rea Valley Tractors Limited £146,921 (2012 £1,040,814) and Rea Valley Tractors (Sudbury) Limited £20,335 (2012 £7,614).

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

17 Financial commitments

At 31 October 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2014

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire		
In over five years	76,696	76,696

18 Employees

Number of employees

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

	2013	2012
	Number	Number
Administration	2	2
Sales and servicing	26	25
	28	27

Employment costs

	2013	2012
	£	£
Wages and salaries	919,975	839,007
Other pension costs	13,560	11,836
	933,535	850,843

19 Control

The ultimate parent company is Dunstall Holdings Limited, a company registered in England and Wales

The ultimate controlling party is Mr S W Clarke, a director of the company

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2013

20 Related party relationships and transactions

During the year Dunstall Estate, a business run by S W Clarke, a director, purchased goods from the company of £41,659 (2012 £232,278) and recharged goods to the company of £nil (2012 £27,605) At the year end a balance of £nil (2012 £4,396) was due from Dunstall Estate

Included in creditors is a loan from S W Clarke of £411,226 (2012 £411,226) 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