

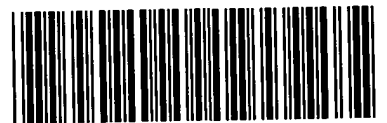
REA VALLEY TRACTORS (SUDBURY) LIMITED

Company Registration No.02788062 (England and Wales)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2014

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REA VALLEY TRACTORS (SUDBURY) LIMITED

COMPANY INFORMATION

Directors	Mr S Clarke Mr S Potter Mr S J Petford (Appointed 1 September 2014)
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
Bankers	Barclays Bank PLC Corporate Banking Lending Operations PO Box 13699 Birmingham B2 2FS

REA VALLEY TRACTORS (SUDBURY) LIMITED

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REA VALLEY TRACTORS (SUDBURY) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2014

The directors present the strategic report and financial statements for the year ended 31 October 2014.

Review of the business

The principal activity of the company is the sale, servicing and repair of agricultural machinery and accessories.

Results and performance

The results of the company are set out in the profit and loss account on page 5, these show a profit on ordinary activities before tax of £172k (2013: £11k).

The performance of the company during 2014 has produced encouraging results. The agricultural industry continues to present challenging and uncertain market conditions but the company is strong enough to continue to grow revenues and maintain reasonable margins.

Key performance indicators ('KPIs')

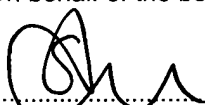
The board monitors the progress of the company with regard to a number of KPI's, a selection of these are detailed below –

	<u>2014</u>	<u>2013</u>
Turnover	£12,383k	£13,064k
EBIT	£242k	£52k
PBT	£172k	£11k
Headcount	26	28

Principal risks and uncertainties

The company is an important part of the agricultural community and the directors believe that there are no perceived areas of risk or uncertainty that will have significant impact upon the profitability of the company which have not been addressed.

On behalf of the board



Mr S J Petford

Director

22nd April 2015

REA VALLEY TRACTORS (SUDBURY) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2014

The directors present their report and financial statements for the year ended 31 October 2014.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 November 2013:

Mr S Clarke

Mr S Potter

Mr S J Petford

(Appointed 1 September 2014)

Auditors

The auditors, Dyke Yaxley Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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:

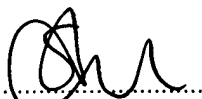
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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 J Petford

Director
22nd April 2015

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 2014 set out on pages 5 to 17. 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 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 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 31 October 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 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


Mr Andrew Young

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 2014

	Notes	2014 £	2013 £
Turnover	2	12,383,227	13,063,661
Cost of sales		(10,548,348)	(11,384,285)
Gross profit		<u>1,834,879</u>	<u>1,679,376</u>
Distribution costs		(1,117,834)	(1,112,288)
Administrative expenses		(474,684)	(515,560)
Operating profit	3	<u>242,361</u>	<u>51,528</u>
Interest payable and similar charges	4	(70,006)	(41,008)
Profit on ordinary activities before taxation		<u>172,355</u>	<u>10,520</u>
Tax on profit on ordinary activities	5	(34,748)	5,886
Profit for the year	14	<u><u>137,607</u></u>	<u><u>16,406</u></u>

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.

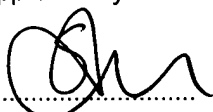
REA VALLEY TRACTORS (SUDBURY) LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6		339,642		348,703
Current assets					
Stocks	7	2,621,624		3,066,309	
Debtors	8	1,169,907		1,574,697	
Cash at bank and in hand		400,789		1,511	
		<u>4,192,320</u>		<u>4,642,517</u>	
Creditors: amounts falling due within one year	9	<u>(3,238,460)</u>		<u>(3,905,146)</u>	
Net current assets			953,860		737,371
Total assets less current liabilities			<u>1,293,502</u>		<u>1,086,074</u>
Creditors: amounts falling due after more than one year	10		(118,907)		(62,540)
Provisions for liabilities	11		(62,265)		(48,811)
			<u>1,112,330</u>		<u>974,723</u>
Capital and reserves					
Called up share capital	13		281,000		281,000
Profit and loss account	14		831,330		693,723
Shareholders' funds	15		<u>1,112,330</u>		<u>974,723</u>

Approved by the Board and authorised for issue on 22nd April 2015



Mr S J Petford
Director

Company Registration No. 02788062

REA VALLEY TRACTORS (SUDBURY) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		363,506		61,040
Returns on investments and servicing of finance				
Interest paid	(70,006)		(41,008)	
Net cash outflow for returns on investments and servicing of finance		(70,006)		(41,008)
Taxation		(11,803)		-
Capital expenditure				
Payments to acquire tangible assets	(110,266)		(110,833)	
Receipts from sales of tangible assets	76,600		178,641	
Net cash (outflow)/inflow for capital expenditure		(33,666)		67,808
Net cash inflow before management of liquid resources and financing		248,031		87,840
Financing				
Capital element of hire purchase contracts	171,582		(101,236)	
Net cash inflow/(outflow) from financing		171,582		(101,236)
Increase/(decrease) in cash in the year		419,613		(13,396)

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2014

1 Reconciliation of operating profit to net cash outflow from operating activities		2014	2013
		£	£
Operating profit		242,361	51,528
Depreciation of tangible assets		52,496	82,966
Profit on disposal of tangible assets		(9,769)	(15,657)
Decrease in stocks		444,685	763,427
Decrease/(increase) in debtors		404,790	(435,212)
Decrease in creditors within one year		(771,057)	(386,012)
Net cash inflow from operating activities		363,506	61,040

2 Analysis of net funds/(debt)	1 November 2013	Cash flow	Other non-cash changes	31 October 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,511	399,278	-	400,789
Bank overdrafts	(20,335)	20,335	-	-
	<u>(18,824)</u>	<u>419,613</u>	<u>-</u>	<u>400,789</u>
Debt:				
Finance leases	(214,597)	(171,582)	-	(386,179)
Net (debt)/funds	<u>(233,421)</u>	<u>248,031</u>	<u>-</u>	<u>14,610</u>

3 Reconciliation of net cash flow to movement in net funds/(debt)		2014	2013
		£	£
Increase/(decrease) in cash in the year		419,613	(13,396)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(171,582)	101,236
Movement in net funds/(debt) in the year		248,031	87,840
Opening net debt		(233,421)	(321,261)
Closing net funds/(debt)		<u>14,610</u>	<u>(233,421)</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

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 2014

2 Turnover

Geographical market

	Turnover	
	2014	2013
	£	£
United Kingdom	11,768,480	11,600,738
Rest of EU	104,932	596,248
Rest of world	509,815	866,675
	<u>12,383,227</u>	<u>13,063,661</u>

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	52,496	82,966
Operating lease rentals	136,105	149,799
Auditors' remuneration (including expenses and benefits in kind)	5,000	6,000
and after crediting:		
Profit on disposal of tangible assets	<u>(9,769)</u>	<u>(15,657)</u>

4 Interest payable

	2014	2013
	£	£
On other loans wholly repayable within five years	27,160	38,648
Hire purchase interest	42,846	2,360
	<u>70,006</u>	<u>41,008</u>

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	21,294	11,803
	Total current tax	21,294	11,803
	Deferred tax		
	Origination and reversal of timing differences	13,454	(17,689)
		34,748	(5,886)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	172,355	10,520
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.62% (2013 - 20.00%)	35,540	2,104
	Effects of:		
	Non deductible expenses	110	68
	Depreciation add back	8,811	13,462
	Capital allowances	(23,171)	(3,831)
	Other tax adjustments	4	-
		(14,246)	9,699
	Current tax charge for the year	21,294	11,803

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2013	36,932	86,761	126,739	627,832	878,264
Additions	7,619	6,160	2,487	94,000	110,266
Disposals	-	-	-	(96,734)	(96,734)
At 31 October 2014	44,551	92,921	129,226	625,098	891,796
Depreciation					
At 1 November 2013	32,480	76,278	101,168	319,635	529,561
On disposals	-	-	-	(29,903)	(29,903)
Charge for the year	5,248	3,615	6,903	36,730	52,496
At 31 October 2014	37,728	79,893	108,071	326,462	552,154
Net book value					
At 31 October 2014	6,823	13,028	21,155	298,636	339,642
At 31 October 2013	4,452	10,483	25,571	308,197	348,703

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

	Motor vehicles £
Net book values	
At 31 October 2014	200,184
At 31 October 2013	209,095
Depreciation charge for the year	
At 31 October 2014	20,612
At 31 October 2013	35,438

7 Stocks

	2014 £	2013 £
Finished goods and goods for resale	2,621,624	3,066,309

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

8	Debtors	2014 £	2013 £
	Trade debtors	628,489	1,186,379
	Amounts owed by parent and fellow subsidiary undertakings	252,497	-
	Other debtors	244,593	217,967
	Prepayments and accrued income	44,328	170,351
		<u>1,169,907</u>	<u>1,574,697</u>
9	Creditors: amounts falling due within one year	2014 £	2013 £
	Bank loans and overdrafts	-	20,335
	Net obligations under hire purchase contracts	267,272	152,057
	Trade creditors	1,230,249	1,783,243
	Amounts owed to parent and fellow subsidiary undertakings	424,701	166,544
	Corporation tax	21,294	11,803
	Other taxes and social security costs	193,807	278,540
	Directors' current accounts	410,548	411,227
	Other creditors	575,144	986,394
	Accruals and deferred income	115,445	95,003
		<u>3,238,460</u>	<u>3,905,146</u>

The bank overdraft is secured by a debenture over the assets of the company.

Included within other creditors are stocking loans of £572,704 (2013 £808,989) 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 2014

10 Creditors: amounts falling due after more than one year	2014 £	2013 £
Net obligations under hire purchase contracts	118,907	62,540
Net obligations under hire purchase contracts		
Repayable within one year	267,272	152,057
Repayable between one and five years	118,907	62,540
	386,179	214,597
Included in liabilities falling due within one year	(267,272)	(152,057)
	118,907	62,540

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 2013	48,811
Profit and loss account	13,454
Balance at 31 October 2014	62,265

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	62,265	48,811

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

12 Retirement Benefits

Defined contribution scheme

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.

	2014 £	2013 £
Contributions payable by the company for the year	13,560	13,560

13 Share capital

	2014 £	2013 £
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 2013	693,723
Profit for the year	137,607
Balance at 31 October 2014	831,330

15 Reconciliation of movements in Shareholders' funds

	2014 £	2013 £
Profit for the financial year	137,607	16,406
Opening Shareholders' funds	974,723	958,317
Closing Shareholders' funds	1,112,330	974,723

16 Contingent liabilities

The company is party to a cross guarantee and debenture to cover the following liabilities existing at the year end: Dunstall Holdings Limited £1,721,276 (2013 £1,276,739) and Rea Valley Tractors Limited £532,545 (2013 £146,921).

REA VALLEY TRACTORS (SUDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2014

17 Financial commitments

At 31 October 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2015:

	Land and buildings	
	2014	2013
	£	£
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:

	2014	2013
	Number	Number
Administration	1	2
Sales and servicing	25	26
	26	28

Employment costs

	2014	2013
	£	£
Wages and salaries	939,937	958,928
Other pension costs	13,560	13,560
	953,497	972,488

19 Control

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

The parent undertaking of the largest and the smallest group for which Group accounts are prepared is Dunstall Holdings Limited. Copies of the Group accounts can be obtained from Old Hall, Dunstall, Burton on Trent, Staffordshire, DE13 8BE.

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 2014

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 £90,741 (2013 £41,659). At the year end there was a balance due from Dunstall Estate of £2,315 (2013 £nil).

Included in creditors is a loan from S W Clarke of £410,548 (2013 £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 and being a wholly owned subsidiary of that parent.