

Agriturf Holdings Limited
REPORT AND STATEMENT OF ACCOUNTS
for the year ended
31 December 2011

THURSDAY



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20/09/2012
COMPANIES HOUSE

Company number 3866319

Agriturf Holdings Limited

DIRECTORS' REPORT

The directors present their report and statement of accounts for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The group is engaged in the distribution and repair of agricultural, horticultural and construction machinery

Principal risks and uncertainties

The nature of the UK agricultural market and its current trading conditions can provide uncertainty for the group. In particular, the weather can have an effect on the fortunes of agricultural customers and also affects the requirements of the horticultural sector.

Fair review of the business

The decision of the group's main franchise to terminate their dealer agreement had a significant effect on the group's trading and resulted in the sale of a substantial part of a subsidiary's business since the year end. The group were able to secure another competitive main franchise, but now face the task of rebuilding the business and downsizing to remain profitable in the short term.

Turnover had increased by £1.2 million in 2011 whilst maintaining a similar gross return to the previous year, but this was enhanced by some one off opportunities arising from the cessation of the existing main franchise.

The directors have had to make some tough decisions relating to cost reduction and recognize that 2012 will be a challenging year as the group seeks to establish itself with the new main franchise.

RESULTS AND DIVIDEND

	£
Loss on ordinary activities before taxation	(140,687)
Taxation	367
Loss on ordinary activities after taxation	<u>(140,320)</u>

The company received a dividend of £25,000 during the year and paid a dividend of £25,000 in respect of the year ended 31 December 2010.

DIRECTORS

The directors were as follows:

N R Burden	
A J Wates	
J W Wates	
T D Scanlon	(resigned 31 December 2011)
S C J Everton	(resigned 31 May 2012)
K Harwood	(appointed 31 May 2012)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have all taken the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Agriturf Holdings Limited

DIRECTORS' REPORT (CONTINUED)

FINANCIAL INSTRUMENTS

The group's principal financial instruments are bank overdrafts, stocking loans and hire purchase agreements. These are used to finance operating cash flows, support stock levels and fixed assets.

The nature of the financial instruments used by the group avoids exposure to price risk. The group's approach to managing other risks is set out below.

In respect of bank borrowing, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts and floating rates of interest.

In respect of stocking loans, the liquidity risk is managed by linking the loans to stocks provided by main suppliers using the stocks as security.

The group acquires a large proportion of its tangible fixed assets through hire purchase which allows repayment over the use of the asset and, in the case of the hire fleets, enables repayments to be made from matched operating cash flows.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, has indicated its willingness to continue in office.

By order of the board



N R BURDEN
CHAIRMAN

Dated 19 September 2012

Agriturf Holdings Limited

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 group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgments and estimates that are reasonable and prudent, and
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AGRITURF HOLDINGS LIMITED

We have audited the group and company financial statements ("the financial statements") on pages 5 to 16. 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 auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of the financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 and of the group's loss 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.

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.

Baker Tilly UK Audit LLP

ALAN RICHARDSON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

Dated *19 September 2012*

Agriturf Holdings Limited
GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	£	2011 £	£	2010 £
TURNOVER					
Continuing operations			16,644,217		20,541,630
Discontinued operations			5,097,289		-
	1		<u>21,741,506</u>		<u>20,541,630</u>
Cost of sales			(18,938,491)		(17,896,467)
GROSS PROFIT			<u>2,803,015</u>		<u>2,645,163</u>
Administrative expenses			(2,798,982)		(2,569,237)
Profit for the year from continuing operations		210,513		75,926	
Loss for the year from discontinued operations		(206,480)		-	
OPERATING PROFIT	2		<u>4,033</u>		<u>75,926</u>
Interest receivable			628		4,607
Interest payable	3		(145,348)		(137,397)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(140,687)</u>		<u>(56,864)</u>
Tax on loss on ordinary activities	4		367		6,027
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	13		<u>(140,320)</u>		<u>(50,837)</u>

Movements on reserves are shown on page 14

CONTINUING AND DISCONTINUED OPERATIONS

In early January 2012 the whole goods, servicing and parts business of Turflet Hire Limited was sold and has been shown as discontinued operations

NOTE OF GROUP HISTORICAL COST PROFITS AND LOSSES

		2011 £	2010 £
Reported loss on ordinary activities before taxation		(140,687)	(56,864)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year on the revalued amount	13	2,760	2,760
Historical cost loss on ordinary activities before taxation		<u>(137,927)</u>	<u>(54,104)</u>
Historical cost loss on ordinary activities after taxation and dividends		<u>(162,560)</u>	<u>(173,077)</u>

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2011 £	2010 £
Loss on ordinary activities after taxation		(140,320)	(50,837)
Surplus on revaluation of freehold land and buildings	14	-	102,596
Total recognised (losses)/gains for the financial year		<u>(140,320)</u>	<u>51,759</u>

Agriturf Holdings Limited
GROUP BALANCE SHEET
31 December 2011

	Notes	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	5		2,515,855		2,347,689
CURRENT ASSETS					
Stocks	6	2,786,552		3,461,630	
Debtors	7	1,692,415		2,296,549	
Cash at bank and in hand		1,362		229,740	
			4,480,329	5,987,919	
CREDITORS amounts falling due within one year	8	(4,654,457)		(5,592,110)	
NET CURRENT (LIABILITIES)/ASSETS			(174,128)		395,809
TOTAL ASSETS LESS CURRENT LIABILITIES			2,341,727		2,743,498
CREDITORS amounts falling due after more than one year	9		(431,234)		(667,685)
PROVISIONS FOR LIABILITIES					
Deferred taxation	10		(8,000)		(8,000)
NET ASSETS			1,902,493		2,067,813
CAPITAL AND RESERVES					
Called up share capital	11		1,000,000		1,000,000
Revaluation reserve	12		201,902		204,662
Profit and loss account	13		700,591		863,151
SHAREHOLDERS' FUNDS	14		1,902,493		2,067,813

The financial statements were approved by the board and authorised for issue on 19 September 2012 and are signed on its behalf by



N R BURDEN
CHAIRMAN

Agriturf Holdings Limited

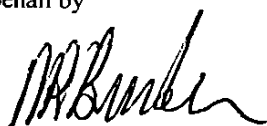
COMPANY BALANCE SHEET

31 December 2011

Company number: 3866319

	Notes	2011 £	2010 £
FIXED ASSETS			
Investment in subsidiary undertakings	15	1,902,493	2,067,813
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,902,493</u>	<u>2,067,813</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000,000	1,000,000
Revaluation reserve	12	902,493	1,067,813
Profit and loss account	13	-	-
SHAREHOLDERS' FUNDS	14	<u>1,902,493</u>	<u>2,067,813</u>

The financial statements were approved by the board and authorised for issue on 19 September 2012 and are signed on its behalf by



N R BURDEN
CHAIRMAN

Agriturf Holdings Limited

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED

31 December 2011

	Notes	£	2011 £	£	2010 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20		1,389,934		360,855
NET RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		628		4,607	
Interest paid		(76,157)		(68,813)	
Interest element of finance lease rentals		(69,213)		(68,488)	
Net cash outflow from net returns on investments and servicing of finance			(144,742)		(132,694)
TAXATION					
Corporation tax paid			(10,762)		(148,666)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Purchase of tangible fixed assets		(234,364)		(22,875)	
Sale of tangible fixed assets		375,385		387,304	
Net cash inflow from capital expenditure and financial investment			141,021		364,429
EQUITY DIVIDENDS PAID			(25,000)		(125,000)
NET CASH INFLOW BEFORE FINANCING			1,350,451		318,924
FINANCING					
Other loans received		886,344		1,071,615	
Other loan repayments		(1,073,985)		(601,214)	
Bank loan received		120,000		85,000	
Bank loan repayments		(118,212)		(18,798)	
Capital element of finance lease rentals		41,772		212,273	
Finance leases		(1,142,905)		(900,631)	
Net cash outflow from financing			(1,286,986)		(151,755)
INCREASE IN CASH	21		63,465		167,169
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			2011 £		2010 £
Increase in cash			63,465		167,169
Cash outflow from financing			1,286,986		151,755
Other non cash changes	22		(957,334)		(1,070,353)
MOVEMENT IN NET DEBT IN THE YEAR			393,117		(751,429)
NET DEBT AT 1 JANUARY			(2,917,486)		(2,166,057)
NET DEBT AT 31 DECEMBER	21		(2,524,369)		(2,917,486)

Agriturf Holdings Limited

ACCOUNTING POLICIES

31 December 2011

(i) Basis of accounting

The financial statements have been prepared on the basis of historical cost as modified by the revaluation of freehold land and buildings and fixed asset investments and in accordance with applicable UK accounting standards

(ii) Going concern

The directors have considered the 12 month period following approval of the financial statements and consider that it is appropriate to prepare the financial statements on the going concern basis

(iii) Basis of consolidation

The consolidated financial statements incorporate those of the company and all of its subsidiary undertakings for the year

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

A separate profit and loss account for the parent company is not presented in accordance with Section 408 of the Companies Act 2006

(iv) Investments

In the company's accounts investments in subsidiary undertakings are revalued to directors' valuation and are stated at net asset value. In the opinion of the directors this valuation policy gives a fairer representation of the net worth of the company. The revaluation surplus is credited to the revaluation reserve

(v) Turnover

Turnover, which excludes value added tax, represents sales less discounts, allowances and returns. Rentals receivable from operating leases are credited to the profit and loss account over the period to which they relate

(vi) Tangible fixed assets

Fixed assets include properties professionally valued by Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. Other fixed assets, other than investment properties, are stated at historical cost

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Freehold buildings	- 1% - 4% of cost or value
Leasehold land and buildings	- 5% - 25% of cost
Motor vehicles	- 25% of cost
Plant and machinery	- 20% - 33% of cost
Fixtures and fittings	- 10% - 25% of cost
Tools and equipment	- 25% of reducing balance

No depreciation is provided on freehold land

Revaluation of properties

Freehold properties are revalued in accordance with FRS 15 with a full valuation carried out by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors every five years and an interim valuation is carried out in year three

Agriturf Holdings Limited

ACCOUNTING POLICIES (CONTINUED)

31 December 2011

(vii) Impairments

Fixed assets are require for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards

Shortfall between the carrying values of fixed assets and their recoverable amounts, being the higher of net realisable value and value in use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historical cost. All other impairment losses are recognised in the profit and loss account.

(viii) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

(ix) Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss account on a straight line basis over the lease term.

(x) Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

(xi) Deferred taxation

Deferred tax is recognised in respect of all material 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A deferred tax asset is only recognised if the directors consider it more likely than not that it will be realised.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(xii) Pension costs

The group operates a defined contribution pension scheme.

Contributions to the pension scheme are charged to the profit and loss account as incurred.

Agriturf Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

31 December 2011

1 TURNOVER

Turnover is derived from activities within the UK

2 OPERATING PROFIT	2011 £	2010 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets - owned assets	413,634	317,581
- leased assets	338,948	448,476
Profits on disposal of fixed assets	(104,435)	(169,540)
Auditor's remuneration - audit of parent and group	2,000	2,000
- audit of subsidiary undertakings	16,000	14,000
- taxation services	3,425	1,875
- other services	8,190	5,729
Staff costs	2,672,828	2,611,464
Property rents	177,210	188,349
Hire of plant and machinery	9,000	9,000
Staff costs comprise -		
Wages and salaries	2,346,063	2,296,014
Social security costs	268,273	258,712
Other pension costs	58,492	56,738
	2,672,828	2,611,464
Directors' emoluments, excluding pension contributions	205,564	204,104

Two (2010 two) directors were members of the group's defined contribution pension scheme and contributions during the year were £4,562 (2010 £4,555) The highest paid director received emoluments of £98,375 (2010 £97,961)

The average monthly number of persons employed by the group during the year was as follows

Operations	49	51
Selling and administration	37	38
	86	89

3 INTEREST PAYABLE	2011 £	2010 £
Bank interest payable	32,984	33,709
Interest paid under finance leases and hire purchase agreements	69,213	68,488
Other short-term interest payable	43,151	35,200
	145,348	137,397
4 TAXATION	2011 £	2010 £
The credit for taxation shown in the profit and loss account comprises		
UK corporation tax payable at 21%	-	11,129
Adjustment in respect of prior years	(367)	(3,656)
Total current tax	(367)	7,473
Transfer from deferred tax	-	(13,500)
Total taxation credit	(367)	(6,027)

Agriturf Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2011

4 TAXATION (CONTINUED)

The tax assessed for the year is greater than the standard rate of corporation tax in the UK	2011	2010
The differences are explained below	£	£
Loss on ordinary activities before taxation	(140,687)	(56,864)
At the effective rate of UK corporation tax of 20.25% (2010: 21%)	(28,485)	(11,941)
Effect of		
Permanently disallowable expenditure	1,177	4,650
Depreciation on assets not qualifying for capital allowances	3,172	3,609
Other fixed asset timing differences	8,406	14,811
Losses carried forward	15,730	-
Current tax charge	-	11,129

5 TANGIBLE FIXED ASSETS

Group	Land and buildings		Motor vehicles	Plant and machinery	Fixtures fittings, tools and equipment	Total
	Freehold	Short leasehold				
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2011	650,000	117,129	980,773	2,044,062	695,051	4,487,015
Additions	24,076	-	48,417	1,040,392	78,813	1,191,698
Disposals	-	(13,268)	(111,437)	(631,869)	(78,810)	(835,384)
At 31 December 2011	674,076	103,861	917,753	2,452,585	695,054	4,843,329
Depreciation						
At 1 January 2011	-	110,909	548,178	914,787	565,452	2,139,326
Provided during the year	15,662	2,668	187,138	494,988	52,126	752,582
Disposals	-	(12,537)	(86,233)	(398,472)	(67,192)	(564,434)
At 31 December 2011	15,662	101,040	649,083	1,011,303	550,386	2,327,474
Net book amounts						
At 31 December 2011	658,414	2,821	268,670	1,441,282	144,668	2,515,855
At 31 December 2010	650,000	6,220	432,595	1,129,275	129,599	2,347,689

The net book amounts of tangible fixed assets include £1,206,258 (2010: £1,265,981) in respect of assets subject to finance leases or hire purchase agreements, depreciation on which amounted to £338,948 (2010: £448,436) during the year.

Assets held for use in operating leases amounted to £2,245,585 (2010: £2,044,062). The accumulated depreciation for these assets was £1,011,303 (2010: £914,787). Rental income in the year amounted to £957,868 (2010: £1,059,720).

Freehold land at estimated valuation of £245,000 and cost of £171,000 is not depreciated.

Freehold land and buildings were valued by Chesterton Humberts, Chartered Surveyors as at 31 December 2010 and these valuations have been included in the accounts. The basis of valuation is market value as defined in the Practice Statement 3.2 of the RICS Valuation Standards and is not considered to differ materially from existing use value. The freehold land and buildings have a historical cost of £546,524 (2010: £522,448). In the directors' opinion there was no material change in the market value during the year.

Agriturf Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2011

6 STOCKS	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Goods for resale	2,750,772	3,375,977	-	-
Work in progress	35,780	85,653	-	-
	<u>2,786,552</u>	<u>3,461,630</u>	<u>-</u>	<u>-</u>
7 DEBTORS	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	1,602,146	2,221,639	-	-
Other debtors	1,376	1,494	-	-
Prepayments and accrued income	88,893	73,416	-	-
	<u>1,692,415</u>	<u>2,296,549</u>	<u>-</u>	<u>-</u>
8 CREDITORS amounts falling due within one year	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank loan and overdrafts	642,514	934,357	-	-
Loans	487,612	647,210	-	-
Trade creditors	1,970,732	2,545,777	-	-
Corporation tax payable	-	11,129	-	-
Other taxation and social security costs	405,231	326,684	-	-
Liabilities under lease and hire purchase agreements	964,371	897,974	-	-
Accruals and deferred income	183,997	228,979	-	-
	<u>4,654,457</u>	<u>5,592,110</u>	<u>-</u>	<u>-</u>

The bank overdrafts and the bank loan (note 9) are secured by a fixed charge on the freehold land and buildings and a floating charge over other assets

The loans are secured by way of floating charges over certain stocks of subsidiary undertakings

The liabilities under lease and hire purchase agreements (see also note 9) are secured on the related assets

9 CREDITORS amounts falling due after more than one year	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Bank loan repayable after more than five years	105,675	103,887	-	-
Loans repayable in less than five years	88,299	72,633	-	-
Liabilities under lease and hire purchase agreements payable in less than five years	237,260	491,165	-	-
	<u>431,234</u>	<u>667,685</u>	<u>-</u>	<u>-</u>

The bank loan is repayable in instalments over 10 years The interest rate charged on the loan is 3.25% over base rate

In 2010, there were two bank loans both repayable in instalments The interest rates charged were 1.75% over base rate on a loan of £37,995 and 3.5% over base rate on a loan of £79,747

Agriturf Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2011

10	DEFERRED TAXATION	2011	2010
	Group	£	£
	Provision at 1 January 2011	8,000	21,500
	Transfer to profit and loss account	-	(13,500)
	Provision at 31 December 2011	<u>8,000</u>	<u>8,000</u>

The balance relates to accelerated capital allowances

		Group and company	
11	CALLED UP SHARE CAPITAL	2011	2010
		£	£
	Allotted, called up and fully paid		
	1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
12	REVALUATION RESERVE	Group	Company
		£	£
	Balance at 1 January 2011	204,662	1,067,813
	Revaluation of subsidiary undertakings to net asset value	-	(165,320)
	Depreciation on revaluation of freehold buildings	(2,760)	-
	At 31 December 2011	<u>201,902</u>	<u>902,493</u>

The company's revaluation reserve arises on the revaluation of subsidiary undertakings to net asset value. Deferred taxation is not provided on the revaluation of subsidiary undertakings as the directors do not believe that these amounts will give rise to taxation liabilities. No liability to taxation arises if the freehold land and buildings were to be sold at their book amount.

13	PROFIT AND LOSS ACCOUNT	Group	Company
		£	£
	Balance at 1 January 2011	863,151	-
	(Loss)/profit for the financial year	(140,320)	25,000
	Transfer from revaluation reserve	2,760	-
	Dividend paid	(25,000)	(25,000)
	Retained profit at 31 December 2011	<u>700,591</u>	<u>-</u>

14	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2011	2010
	Group	£	£
	Balance at 1 January 2011	2,067,813	2,141,054
	Loss for the financial year	(140,320)	(50,837)
	Revaluation of freehold land and buildings	-	102,596
	Dividend paid (2.5p per share) (2010: 12.5p per share)	(25,000)	(125,000)
	Balance at 31 December 2011	<u>1,902,493</u>	<u>2,067,813</u>
	Company		
	Balance at 1 January 2011	2,067,813	2,141,054
	Revaluation of subsidiary undertakings	(165,320)	(73,241)
	Profit for the financial year	25,000	125,000
	Dividend paid	(25,000)	(125,000)
	Balance at 31 December 2011	<u>1,902,493</u>	<u>2,067,813</u>

Agriturf Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2011

15 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS	Cost	Revaluation	Total
Company	£	£	£
At 1 January 2011	1,000,000	1,067,813	2,067,813
Revaluation during the year	-	(165,320)	(165,320)
At 31 December 2011	<u>1,000,000</u>	<u>902,493</u>	<u>1,902,493</u>

The company's wholly-owned subsidiaries are Agriturf Limited, its wholly-owned subsidiary, The Burdens Group Limited (distribution of agricultural machinery and equipment) and its wholly-owned subsidiaries, Burdens Distribution Limited, (dormant), Turflet Hire Limited (formerly Golf and Turf Equipment Limited) (distribution of horticultural machinery and equipment) and First Tractors Limited (dormant) The company's holdings comprise ordinary shares

16 OPERATING LEASE COMMITMENTS

The group's commitments to operating leases payments within one year are as follows

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases expiring				
Within one year	25,000	-	50,000	-
Within two and five years	-	-	69,200	-
After five years	48,000	-	48,000	-
	<u>73,000</u>	<u>-</u>	<u>167,200</u>	<u>-</u>

17 RELATED PARTY TRANSACTIONS

The company has entered into a property lease at an annual rental of £48,000 (2010 £48,000) with a pension fund in which N R Burden has a material interest

During the year the company paid a dividend of £3,750 (2010 £18,750) to Commonwork Enterprises Limited, a company wholly owned by the ultimate controlling party A dividend of £21,250 (2010 £106,250) was also paid during the year directly to the company's ultimate controlling party

18 PENSION SCHEME

The group participates in a personal pension and flexible retirement income plan which is a defined contribution scheme The charge for the year relating to pension costs which are determined solely by reference to the group's own employees amounted to £58,492 (2010 £56,738) There were no prepaid contributions at 31 December 2011 (2010 £nil)

19 CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of its subsidiary undertakings which amounted to £748,000 at 31 December 2011 (2010 £1,038,000) and the company's assets are subject to a debenture in favour of the bank

Agriturf Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2011

20 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	4,033	75,926
Depreciation and similar adjustments	648,147	596,477
Decrease in stocks	675,078	68,048
Decrease/(increase) in debtors	604,134	(179,964)
Decrease in creditors	(541,458)	(199,632)
Net cash inflow from operating activities	<u>1,389,934</u>	<u>360,855</u>

21 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2011 £	Cash flows £	Other non- cash changes £	At 31 December 2011 £
Cash at bank and in hand	229,740	(228,378)	-	1,362
Bank overdrafts	(934,357)	291,843	-	(642,514)
	<u>(704,617)</u>	<u>63,465</u>	<u>-</u>	<u>(641,152)</u>
Other loans	(719,843)	250,041	(106,109)	(575,911)
Bank loans	(103,887)	(1,788)	-	(105,675)
Finance leases	(1,389,139)	1,038,733	(851,225)	(1,201,631)
	<u>(2,917,486)</u>	<u>1,350,451</u>	<u>(957,334)</u>	<u>(2,524,369)</u>

22 MAJOR NON-CASH TRANSACTIONS

During the year the group acquired tangible fixed assets under finance lease and hire purchase agreements of £851,225 (2010 £939,759) and hire purchase fleet of £106,109 (2010 £130,594)

23 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is a trust of which J R F Lulham and Mrs A J Wates are trustees