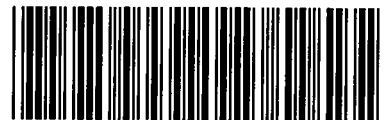


**AGRITURF HOLDINGS LIMITED**  
**GROUP STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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**AGRITURF HOLDINGS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**DIRECTORS:**

N R Burden  
J W Wates  
N E Wates  
J Southern

**SECRETARY:**

J Southern

**REGISTERED OFFICE:**

Spalding Road  
Sutterton  
Boston  
Lincolnshire  
PE20 2ET

**REGISTERED NUMBER:**

03866319 (England and Wales)

**AUDITORS:**

Duncan & Toplis  
Chartered Accountants  
and Statutory Auditors  
5 Resolution Close  
Endeavour Park  
Boston  
Lincolnshire  
PE21 7TT

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their strategic report of the company and the group for the year ended 31 December 2013.

**REVIEW OF BUSINESS**

2013 was an excellent year for the group in the transitional journey of integrating the New Holland product range as its primary franchise. Wholegoods, aftersales and hire enterprises, across all brands, performed ahead of expectations, and combined with ongoing control of costs this allowed the group to record an operating profit of £303k.

The policy of selectively developing and expanding revenues from the secondary franchised brands both as a risk management measure and to help generate further new revenue streams continues.

The directors monitor the group very closely and are confident that this turnaround in the business is permanent and with careful management profits will continue to grow to and exceed historic levels.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The UK agricultural and horticultural markets are subject to both global supply and demand impacts, which affect the profitability of the customer base and their ability to invest in machinery. The impact of local weather conditions not only affect local supply and demand levels, but also operational conditions which impact on the demand for equipment.

**ON BEHALF OF THE BOARD:**



.....  
N R Burden - Director

Date: 16 June 2014

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2013.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of the distribution, hire and repair of agricultural, horticultural, professional groundcare and industrial equipment.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2013.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

N R Burden  
J W Wates  
N E Wates

Other changes in directors holding office are as follows:

J Southern - appointed 1 February 2013

**DIRECTORS' INDEMNITIES**

A qualifying third party indemnity provision is in place for the directors of the company. This covers liability for the actions of directors and officers of the company and associated costs including legal costs.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**AUDITORS**

The auditors, Duncan & Toplis, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'N R Burden', is written over a horizontal dotted line.

N R Burden - Director

Date: 16 June 2014

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRITURF HOLDINGS LIMITED**

We have audited the financial statements of Agriturf Holdings Limited for the year ended 31 December 2013 on pages seven to twenty six. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors 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 group's and of the parent company's affairs as at 31 December 2013 and of the group's 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**

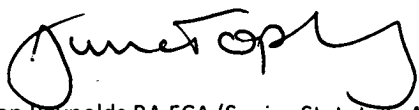
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AGRITURF HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Adrian Reynolds BA FCA (Senior Statutory Auditor)  
for and on behalf of Duncan & Toplis  
Chartered Accountants  
and Statutory Auditors  
5 Resolution Close  
Endeavour Park  
Boston  
Lincolnshire  
PE21 7TT

Date: 16 June 2014



**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
<b>TURNOVER</b>	2	11,571,995	11,370,627
Cost of sales		<u>9,961,743</u>	<u>9,808,039</u>
<b>GROSS PROFIT</b>		1,610,252	1,562,588
Administrative expenses		<u>1,307,661</u>	<u>1,415,231</u>
<b>OPERATING PROFIT</b>	4	302,591	147,357
Cost of fundamental restructuring of continuing activities		<u>-</u>	<u>105,194</u>
		302,591	42,163
Interest payable and similar charges	5	<u>109,499</u>	<u>105,698</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		193,092	(63,535)
Tax on profit/(loss) on ordinary activities	6	<u>30,215</u>	<u>(8,000)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP</b>		<u>162,877</u>	<u>(55,535)</u>

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	193,092	(63,535)
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2,760	2,760
	<hr/>	<hr/>
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>195,852</u>	<u>(60,775)</u>
 <b>HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION</b>	 <u>165,637</u>	 <u>(52,775)</u>

**CONSOLIDATED BALANCE SHEET**  
**31 DECEMBER 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,771,718	2,593,115
Investments	9	<u>-</u>	<u>-</u>
		2,771,718	2,593,115
<b>CURRENT ASSETS</b>			
Stocks	10	3,201,608	2,922,935
Debtors	11	2,279,021	1,464,021
Cash at bank and in hand		<u>26,433</u>	<u>973</u>
		5,507,062	4,387,929
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>5,263,612</u>	<u>4,551,728</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>243,450</u>	<u>(163,799)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,015,168	2,429,316
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(975,118)	(582,358)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(30,215)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>2,009,835</u>	<u>1,846,958</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1,000,000	1,000,000
Revaluation reserve	19	196,382	199,142
Profit and loss account		<u>813,453</u>	<u>647,816</u>
<b>SHAREHOLDERS' FUNDS</b>	24	<u>2,009,835</u>	<u>1,846,958</u>

The financial statements were approved by the Board of Directors on 16 June 2014 and were signed on its behalf by:



.....  
N R Burden - Director



.....  
J Southern - Director

The notes form part of these financial statements

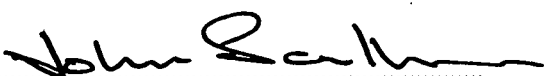
**COMPANY BALANCE SHEET**  
**31 DECEMBER 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	8	-	-
Investments	9	<u>2,009,835</u>	<u>1,846,958</u>
		<u>2,009,835</u>	<u>1,846,958</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>2,009,835</u></u>	<u><u>1,846,958</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1,000,000	1,000,000
Revaluation reserve	19	<u>1,009,835</u>	<u>846,958</u>
<b>SHAREHOLDERS' FUNDS</b>	24	<u><u>2,009,835</u></u>	<u><u>1,846,958</u></u>

The financial statements were approved by the Board of Directors on 16 June 2014 and were signed on its behalf by:

  
.....

N R Burden - Director

  
.....

J Southern - Director

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

		2013	2012
	Notes	£	£
<b>Net cash inflow from operating activities</b>	1	706,416	692,472
<b>Returns on investments and servicing of finance</b>	2	(109,499)	(105,698)
<b>Capital expenditure</b>	2	(528,562)	(445,051)
		68,355	141,723
<b>Financing</b>	2	568,212	(259,412)
<b>Increase/(decrease) in cash in the period</b>		<u>636,567</u>	<u>(117,689)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Increase/(decrease) in cash in the period		636,567	(117,689)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(568,212)</u>	<u>259,412</u>
Change in net debt resulting from cash flows		<u>68,355</u>	<u>141,723</u>
<b>Movement in net debt in the period</b>		68,355	141,723
<b>Net debt at 1 January</b>		<u>(2,382,646)</u>	<u>(2,524,369)</u>
<b>Net debt at 31 December</b>		<u>(2,314,291)</u>	<u>(2,382,646)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2013	2012
	£	£
Operating profit	302,591	147,357
Depreciation charges	444,409	527,997
Profit on disposal of fixed assets	(94,450)	(160,206)
Exceptional items	-	(105,194)
Increase in stocks	(278,673)	(136,383)
(Increase)/decrease in debtors	(815,000)	228,394
Increase in creditors	<u>1,147,539</u>	<u>190,507</u>
<b>Net cash inflow from operating activities</b>	<b><u>706,416</u></b>	<b><u>692,472</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2013	2012
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest paid	(87,072)	(62,125)
Interest element of hire purchase payments	<u>(22,427)</u>	<u>(43,573)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(109,499)</u></b>	<b><u>(105,698)</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(920,827)	(1,453,678)
Sale of tangible fixed assets	<u>392,265</u>	<u>1,008,627</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(528,562)</u></b>	<b><u>(445,051)</u></b>
<b>Financing</b>		
New loans in year	875,462	311,253
Loan repayments in year	(272,279)	(665,458)
New hire purchase in year	993,802	1,478,203
Capital repayments in year	<u>(1,028,773)</u>	<u>(1,383,410)</u>
<b>Net cash inflow/(outflow) from financing</b>	<b><u>568,212</u></b>	<b><u>(259,412)</u></b>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/13 £	Cash flow £	At 31/12/13 £
Net cash:			
Cash at bank and in hand	973	25,460	26,433
Bank overdraft	<u>(759,814)</u>	<u>611,107</u>	<u>(148,707)</u>
	<u>(758,841)</u>	<u>636,567</u>	<u>(122,274)</u>
Debt:			
Hire purchase	(1,296,424)	34,971	(1,261,453)
Debts falling due within one year	(232,491)	(291,597)	(524,088)
Debts falling due after one year	<u>(94,890)</u>	<u>(311,586)</u>	<u>(406,476)</u>
	<u>(1,623,805)</u>	<u>(568,212)</u>	<u>(2,192,017)</u>
Total	<u>(2,382,646)</u>	<u>68,355</u>	<u>(2,314,291)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**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 group financial statements on a going concern basis.

**Basis of consolidation**

The group financial statements consolidate the financial statements of Agriturf Holdings Limited and all of its subsidiary undertakings as listed in note 9 drawn up to 31 December 2013. The accounting policies adopted by the subsidiary undertakings are the same as those adopted by the company.

No profit and loss account is presented for Agriturf Holdings Limited as permitted by Section 408 of the Companies Act 2006.

**Turnover**

Turnover, which excludes value added tax, represents sales less discounts, allowances and returns. Income is recognised upon the supply of goods or services to customers. Hire rentals receivable are credited to the profit and loss accounts over the period to which they relate.

**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% to 4% of cost or value
Leasehold land and buildings	4% to 25% of cost
Motor vehicles	16.7% to 25% of cost
Plant and machinery	10% to 100% of cost
Fixtures and fittings	10% to 25% of cost

Within plant and machinery, assets held for the agricultural hire fleet are depreciated on a machine hour basis based on their budgeted usage during their useful economic life.

No depreciation is provided on freehold land.

**Revaluation of properties:-**

Freehold properties are valued in accordance with FRS 15 with a full valuation carried out by professionally qualified Chartered Surveyors on an existing use open market 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 carried out in year three.

**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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Investments**

Investments in subsidiary undertakings are revalued to directors' valuations and are stated at net asset value. In the opinion of the directors the valuation policy gives a fairer representation of the net worth of the company.

**2. TURNOVER**

The turnover and profit (2012 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2013 £	2012 £
United Kingdom	11,352,867	11,212,612
Europe	<u>219,128</u>	<u>158,015</u>
	<u>11,571,995</u>	<u>11,370,627</u>

**3. STAFF COSTS**

	2013 £	2012 £
Wages and salaries	1,393,265	1,376,743
Social security costs	139,407	149,132
Other pension costs	<u>31,178</u>	<u>34,501</u>
	<u>1,563,850</u>	<u>1,560,376</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2013	2012
Directors	4	4
Operations	30	30
Selling and administration	<u>15</u>	<u>16</u>
	<u>49</u>	<u>50</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Hire of plant and machinery	8,100	9,000
Depreciation - owned assets	211,749	211,171
Depreciation - assets on hire purchase contracts	232,660	316,826
Profit on disposal of fixed assets	(94,450)	(160,206)
Auditors' remuneration	15,000	26,300
Auditors' remuneration for non audit work	7,966	35,898
Property rents	<u>73,000</u>	<u>73,000</u>
Directors' remuneration	303,231	253,095
Directors' pension contributions to money purchase schemes	<u>8,711</u>	<u>8,877</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2013	2012
	£	£
Emoluments etc	<u>79,773</u>	<u>98,483</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	31,755	24,392
Stocking loan interest	52,162	33,050
Other interest	3,155	4,683
Hire purchase interest	<u>22,427</u>	<u>43,573</u>
	<u>109,499</u>	<u>105,698</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**6. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2013	2012
	£	£
Deferred tax	<u>30,215</u>	<u>(8,000)</u>
Tax on profit/(loss) on ordinary activities	<u>30,215</u>	<u>(8,000)</u>

**Factors affecting the tax charge/(credit)**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013	2012
	£	£
Profit/(loss) on ordinary activities before tax	<u>193,092</u>	<u>(63,535)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	38,618	(12,707)
Effects of:		
Expenses not deductible for tax purposes	126	907
Capital allowances in excess of depreciation	(56,774)	(13,050)
Utilisation of tax losses	-	(1,713)
Tax losses carried forward	<u>18,030</u>	<u>26,563</u>
Current tax charge/(credit)	<u>-</u>	<u>-</u>

**7. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0 (2012 - £0).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	Short leasehold £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1 January 2013	674,076	34,345	2,629,040
Additions	2,235	2,450	791,936
Disposals	-	-	(461,674)
At 31 December 2013	<u>676,311</u>	<u>36,795</u>	<u>2,959,302</u>
<b>DEPRECIATION</b>			
At 1 January 2013	32,045	32,175	902,770
Charge for year	16,533	987	321,979
Eliminated on disposal	-	-	(164,782)
At 31 December 2013	<u>48,578</u>	<u>33,162</u>	<u>1,059,967</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>627,733</u>	<u>3,633</u>	<u>1,899,335</u>
At 31 December 2012	<u>642,031</u>	<u>2,170</u>	<u>1,726,270</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1 January 2013	592,725	628,911	4,559,097
Additions	9,196	115,010	920,827
Disposals	-	(47,576)	(509,250)
At 31 December 2013	<u>601,921</u>	<u>696,345</u>	<u>4,970,674</u>
<b>DEPRECIATION</b>			
At 1 January 2013	489,404	509,588	1,965,982
Charge for year	31,556	73,354	444,409
Eliminated on disposal	-	(46,653)	(211,435)
At 31 December 2013	<u>520,960</u>	<u>536,289</u>	<u>2,198,956</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>80,961</u>	<u>160,056</u>	<u>2,771,718</u>
At 31 December 2012	<u>103,321</u>	<u>119,323</u>	<u>2,593,115</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

8. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 31 December 2013 is represented by:

	Freehold property £	Short leasehold £	Plant and machinery £
Valuation in 2010	650,000	-	-
Cost	<u>26,311</u>	<u>36,795</u>	<u>2,959,302</u>
	<u>676,311</u>	<u>36,795</u>	<u>2,959,302</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2010	-	-	650,000
Cost	<u>601,921</u>	<u>696,345</u>	<u>4,320,674</u>
	<u>601,921</u>	<u>696,345</u>	<u>4,970,674</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2013 £	2012 £
Cost	<u>546,524</u>	<u>546,524</u>

Freehold land and buildings were valued on an open market basis on 31 December 2010 by Chesterton Humberts.

An interim valuation completed for the year ended 31 December 2013 found there to have been no material change to the market value of revalued assets during the year.

The net book value of tangible fixed assets includes £1,396,943 (2012 - £1,411,473) in respect of assets held under hire purchase contracts.

Assets held for use in operating leases amounted to £1,275,766 (2012 - £1,311,180). Rental income from operating leases amounted to £362,944 (2012 - £530,757).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
<b>COST OR VALUATION</b>	
At 1 January 2013	1,846,958
Revaluations	<u>162,877</u>
At 31 December 2013	<u>2,009,835</u>
<b>NET BOOK VALUE</b>	
At 31 December 2013	<u>2,009,835</u>
At 31 December 2012	<u>1,846,958</u>

Cost or valuation at 31 December 2013 is represented by:

	Shares in group undertakings £
Valuation in 2013	1,009,835
Cost	<u>1,000,000</u>
	<u>2,009,835</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries**

**Agriturf Limited**

Nature of business: Holding company

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>2,009,835</u>	<u>1,846,958</u>

**The Burdens Group Limited**

Nature of business: The distribution and repair of machinery

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>2,009,835</u>	<u>1,846,958</u>
Profit/(loss) for the year		<u>306,747</u>	<u>(192,884)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

9. FIXED ASSET INVESTMENTS - continued

**Turfleet Hire Limited**

Nature of business: The hire of machinery

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		512,778	658,301
Profit for the year		<u>104,477</u>	<u>137,349</u>

**AUK Limited**

Nature of business: The distribution of machinery

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		171,734	170,081
Profit for the year		<u>1,653</u>	<u>-</u>

**First Tractors Limited**

Nature of business: Dormant

	% holding	2013 £	2012 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>100</u>	<u>100</u>

10. STOCKS

	Group	
	2013 £	2012 £
Stocks	3,177,998	2,899,004
Work-in-progress	<u>23,610</u>	<u>23,931</u>
	<u>3,201,608</u>	<u>2,922,935</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,194,671	1,395,541
Other debtors	57	4,861
VAT	-	21,032
Prepayments	<u>84,293</u>	<u>42,587</u>
	<u><b>2,279,021</b></u>	<u><b>1,464,021</b></u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 14)	672,795	992,305
Hire purchase contracts (see note 15)	692,811	813,912
Trade creditors	3,391,042	2,560,185
Other taxes and social security	65,178	52,142
VAT	178,342	-
Other creditors	34,619	41,171
Accrued expenses	<u>228,825</u>	<u>92,013</u>
	<u><b>5,263,612</b></u>	<u><b>4,551,728</b></u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 14)	406,476	94,890
Hire purchase contracts (see note 15)	568,642	482,512
Other creditors	<u>-</u>	<u>4,956</u>
	<u><b>975,118</b></u>	<u><b>582,358</b></u>

The bank loans are repayable in instalments over 5 and 10 years. The interest rates charged on the loans are 4.25% and 3.25% over base rate, respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

14. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2013	2012
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	148,707	759,814
Bank loans	<u>524,088</u>	<u>232,491</u>
	<u>672,795</u>	<u>992,305</u>
Amounts falling due between one and two years:		
Bank loans	<u>29,113</u>	<u>11,023</u>
Amounts falling due between two and five years:		
Bank loans	<u>341,873</u>	<u>35,658</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>35,490</u>	<u>48,209</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2013	2012
	£	£
Net obligations repayable:		
Within one year	692,811	813,912
Between one and five years	<u>568,642</u>	<u>482,512</u>
	<u>1,261,453</u>	<u>1,296,424</u>

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings		Other operating leases	
	2013	2012	2013	2012
	£	£	£	£
Expiring:				
Within one year	25,000	25,000	-	-
Between one and five years	-	-	2,107	2,107
In more than five years	<u>48,000</u>	<u>48,000</u>	-	-
	<u>73,000</u>	<u>73,000</u>	<u>2,107</u>	<u>2,107</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2013	2012
	£	£
Bank overdrafts	148,707	759,814
Bank loans	930,564	327,381
Hire purchase contracts	<u>1,261,453</u>	<u>1,296,424</u>
	<u>2,340,724</u>	<u>2,383,619</u>

The bank loan and overdrafts are secured by a fixed charge on the freehold land and buildings and a floating charge over other assets. Other loans are secured by way of a floating charge over certain stocks.

A cross guarantee is in place, as described in note 21.

Liabilities under hire purchase contracts are secured on the assets to which they relate.

17. PROVISIONS FOR LIABILITIES

	Group	
	2013	2012
	£	£
Deferred tax		
Accelerated capital allowances	<u>30,215</u>	<u>-</u>
Group		
		Deferred tax
		£
Credit to profit and loss account during year		<u>30,215</u>
Balance at 31 December 2013		<u>30,215</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013	2012
			£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**19. RESERVES**

**Group**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2013	647,816	199,142	846,958
Profit for the year	162,877		162,877
Transfer from revaluation reserve	<u>2,760</u>	<u>(2,760)</u>	<u>-</u>
At 31 December 2013	<u>813,453</u>	<u>196,382</u>	<u>1,009,835</u>

**Company**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2013	-	846,958	846,958
Profit for the year	-		-
Transfer from revaluation reserve	<u>-</u>	<u>162,877</u>	<u>162,877</u>
At 31 December 2013	<u>-</u>	<u>1,009,835</u>	<u>1,009,835</u>

**20. PENSION COMMITMENTS**

The company operates a money purchase pension scheme. Contributions payable are charged in the profit and loss account. At the year end £Nil was outstanding (2012 - £Nil).

**21. CONTINGENT LIABILITIES**

Under the composite accounting agreement the company has guaranteed the bank borrowing of group undertakings which amounted to £741,927 (2012 - £870,713) and the company's assets are subject to a debenture in favour of the bank.

**22. RELATED PARTY DISCLOSURES**

**N R Burden**

A pension scheme in which N Burden has a material interest.

During the year the company paid £48,000 (2012 - £48,000) in respect of property rented from the pension fund.

**23. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is a trust of which Mr J R F Lulham and Mr N E Wates are trustees.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

	2013 £	2012 £
Profit/(loss) for the financial year	<u>162,877</u>	<u>(55,535)</u>
<b>Net addition/(reduction) to shareholders' funds</b>	162,877	(55,535)
Opening shareholders' funds	<u>1,846,958</u>	<u>1,902,493</u>
<b>Closing shareholders' funds</b>	<u><u>2,009,835</u></u>	<u><u>1,846,958</u></u>

**Company**

	2013 £	2012 £
Profit for the financial year	-	-
Other recognised gains and losses relating to the year (net)	<u>162,877</u>	<u>(55,535)</u>
<b>Net addition/(reduction) to shareholders' funds</b>	162,877	(55,535)
Opening shareholders' funds	<u>1,846,958</u>	<u>1,902,493</u>
<b>Closing shareholders' funds</b>	<u><u>2,009,835</u></u>	<u><u>1,846,958</u></u>

**25. EXCEPTIONAL ITEMS REPORTED AFTER OPERATING PROFIT**

During the year ended 31 December 2012, the cost of a fundamental restructuring of continuing operations arose in respect of the decision by the main franchiser to terminate their dealer agreement. The company were able to secure another competitive main franchise but exceptional costs were incurred in relation to this transition period and the downsizing of the business.

For the year ended 31 December 2012, the effect of the exceptional items reported after operating profit on the amounts charged to the profit and loss account for taxation were £21,039. No such costs arose in the current financial year.