

**Company Registration No. 06236827 (England and Wales)**

**CORNTHWAITE AGRICULTURAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2014**

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# CORNTHWAITE AGRICULTURAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S A Cornthwaite J E Ashe R C Hughes
<b>Secretary</b>	J E Ashe
<b>Company number</b>	06236827
<b>Registered office</b>	Hall Lane Bispham Green Nr Ormskirk Lancashire L40 3SB
<b>Auditors</b>	Moore and Smalley LLP Kendal House Murley Moss Business Village Kendal Cumbria LA9 7RL
<b>Business address</b>	Hall Lane Bispham Green Nr Ormskirk Lancashire L40 3SB
<b>Bankers</b>	Royal Bank of Scotland Plc 97 Fishergate Preston Lancashire PR1 2DP
<b>Solicitors</b>	Baines Wilson 2 Merchants Drive Carlisle Cumbria CA3 0JW

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# CORNTHWAITE AGRICULTURAL LIMITED

## CONTENTS

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	Page
Strategic Report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 18

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# **CORNTHWAITE AGRICULTURAL LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014**

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### **Principal activities and review of the business**

The principal activity of the company continued to be that of the supply of new and used agricultural machinery, together with the ancillary services of repair, maintenance and supply of spare parts.

### **Fair review of business**

The results for the year ended 28 February 2014 are considered to be satisfactory.

The key performance indicators of the business are turnover, gross profit and asset turn, all of which are monitored on a regular basis.

### **Principal risks and uncertainties**

The principal risks and uncertainties that face the company are considered to be:

- the state of the agricultural industry as a whole within the country and the competition within that market
- the exchange rate between the pound and the currency of the company's principal markets for used machinery (in particular tractors) in Europe

The John Deere marque has enjoyed strong performance over the last few years and continues to be the leading manufacturer in the UK in terms of market share for tractors. However, the total registrations for new tractors in the UK 2013 fell by 10% in comparison to 2012 and whilst turnover in the current year has remained stable, the directors anticipate the possibility of a decrease in turnover in future years.

The company's market share is significantly higher than John Deere's national average and whilst maintaining market share will be a challenge, the directors of the group believe that the commitment to developing staff and setting up a robust management structure will enable the business to mitigate, as far as is possible, the risks and uncertainties detailed above.

Signed by order of the board



J E Ashe

**Company Secretary**

Approved by the directors on 17 June 2014

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# **CORNTHWAITE AGRICULTURAL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014**

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The directors present their report and financial statements for the year ended 28 February 2014.

### **Results and dividends**

The results for the year are set out on page 6.

Interim dividends totalling £32.50 per Ordinary Share were paid during the year. Full details are included in note 6 to the financial statements.

The directors do not recommend the payment of any further dividend.

### **Future developments**

The directors intend to explore any future opportunities to expand the company's customer base or its activities.

### **Financial instruments**

Financial risk management objectives and policies.

The operations of the company expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring the financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

The directors will revisit the appropriateness of the policy should the company's operation change size or nature.

### **Directors**

The following directors have held office during the year:

S A Cornthwaite

J E Ashe

R C Hughes

### **Taxation status**

The company was a close company within the provisions of the Corporation Tax Act 2010 and this position has not changed since the end of the financial year.

### **Auditors**

Moore and Smalley LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

# **CORNTHWAITE AGRICULTURAL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014**

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### **Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts 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 accounts 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the board



J E Ashe

**Company Secretary**

Approved by the directors on 17 June 2014

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# **CORNTHWAITE AGRICULTURAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF CORNTHWAITE AGRICULTURAL LIMITED**

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We have audited the financial statements of Cornthwaite Agricultural Limited for the year ended 28 February 2014 set out on pages 6 to 18. 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 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 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 28 February 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.

# **CORNTHWAITE AGRICULTURAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF CORNTHWAITE AGRICULTURAL LIMITED**

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#### **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 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



**Ian Clark (Senior Statutory Auditor)  
For and on behalf of Moore and Smalley LLP  
Chartered Accountants & Statutory Auditor**

Kendal House  
Murley Moss Business Village  
Oxenholme Road  
Kendal LA9 7RL

*19 June 2014*



# CORNTHWAITE AGRICULTURAL LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED ENDED 28 FEBRUARY 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	<b>2</b>	34,737,548	34,965,516
Cost of sales		(33,142,902)	(33,444,041)
<b>Gross profit</b>		<u>1,594,646</u>	<u>1,521,475</u>
Distribution costs		(719,469)	(728,774)
Administrative expenses		(946,325)	(956,454)
Other operating income		694,331	780,461
<b>Operating profit</b>	<b>3</b>	<u>623,183</u>	<u>616,708</u>
Interest receivable		752	22
Interest payable and similar charges	<b>4</b>	(20,089)	(23,633)
<b>Profit on ordinary activities before taxation</b>		<u>603,846</u>	<u>593,097</u>
Tax on profit on ordinary activities	<b>5</b>	(145,032)	(134,945)
<b>Profit for the year</b>	<b>14</b>	<u><u>458,814</u></u>	<u><u>458,152</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.

# CORNTHWAITE AGRICULTURAL LIMITED

## BALANCE SHEET AS AT 28 FEBRUARY 2014

		2014		2013	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		2,196,601		2,674,503
<b>Current Assets</b>					
Stocks	8	7,598,952		6,537,416	
Debtors	9	5,104,573		4,860,037	
Cash at bank and in hand		1,828,668		237,774	
		14,532,193		11,635,227	
<b>Creditors: amounts falling due within one year</b>	10	(11,529,484)		(9,394,797)	
<b>Net current assets</b>			3,002,709		2,240,430
<b>Total assets less current liabilities</b>			5,199,310		4,914,933
<b>Creditors: amounts falling due after more than one year</b>	11		(191,867)		(327,619)
<b>Provisions for liabilities and charges</b>	12		(103,824)		(77,509)
			4,903,619		4,509,805
<b>Capital and reserves</b>					
Called up share capital	13		2,000		2,000
Share premium account	14		1,734,982		1,734,982
Profit and loss account	14		3,166,637		2,772,823
<b>Shareholders' funds - equity interests</b>	15		4,903,619		4,509,805

These accounts were approved by the directors and authorised for issue on 17 June 2014 and are signed on their behalf by:



S A Cornthwaite  
Director

Company registration number 6236827

# CORNTHWAITE AGRICULTURAL LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

	2014		2013	
	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>		2,073,970		(1,502,765)
<b>Returns on investments and servicing of finance</b>				
Interest received	752		22	
Interest paid	(14,059)		(13,996)	
Interest element of hire purchase contracts	(6,030)		(9,637)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(19,337)		(23,611)
<b>Taxation</b>		(28,622)		(330,377)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(462,113)		(52,764)	
Receipts from sale of tangible assets	1,517,416		1,951,019	
<b>Net cash inflow for capital expenditure</b>		1,055,303		1,898,255
<b>Equity dividends paid</b>		(65,000)		(95,000)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		3,016,314		(53,498)
<b>Financing</b>				
- Repayment of long term bank loans	(81,397)		(79,193)	
- Capital element of hire purchase contracts	(1,344,023)		(1,782,685)	
<b>Net cash outflow from financing</b>		(1,425,420)		(1,861,878)
<b>Increase/(decrease) in cash in the year</b>		1,590,894		(1,915,376)

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2014

<b>1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit	623,183	616,708
Depreciation of tangible assets	245,174	292,189
Profit on disposal of tangible assets	-	(12,172)
(Increase)/decrease in stocks	(1,061,536)	598,756
Increase in debtors	(244,536)	(823,973)
Increase/(decrease) in creditors within one year	2,511,685	(2,174,273)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>2,073,970</b>	<b>(1,502,765)</b>

<b>2 Analysis of net funds/(debt)</b>	<b>1 March 2013</b>	<b>Cash Flow</b>	<b>Other non cash changes</b>	<b>28 February 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:				
Cash at bank and in hand	237,774	1,590,894	-	1,828,668
	<u>237,774</u>	<u>1,590,894</u>	<u>-</u>	<u>1,828,668</u>
Debt:				
Finance leases	(1,192,017)	1,344,023	(822,575)	(670,569)
Debts falling due within one year	(83,526)	327	-	(83,199)
Debts falling due after one year	(266,878)	81,070	-	(185,808)
	<u>(1,542,421)</u>	<u>1,425,420</u>	<u>(822,575)</u>	<u>(939,576)</u>
<b>Net funds/(debt)</b>	<b>(1,304,647)</b>	<b>3,016,314</b>	<b>(822,575)</b>	<b>889,092</b>

<b>3 Reconciliation of net cash flow to movement in net funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Increase/(decrease) in cash in the year	1,590,894	(1,915,376)
Cash outflow from increase in debt and lease financing	1,425,420	1,861,878
Change in net funds resulting from cash flows	3,016,314	(53,498)
New finance leases	(822,575)	(2,012,000)
<b>Movement in net funds/(debt) in the year</b>	<b>2,193,739</b>	<b>(2,065,498)</b>
Opening net (debt)/funds	(1,304,647)	760,851
<b>Closing net funds/(debt)</b>	<b>889,092</b>	<b>(1,304,647)</b>

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

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### 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 (except as otherwise stated).

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided, on a straight line basis, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	50 years
Plant and machinery	3-5 years
Motor vehicles	5 years

#### 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 and work in progress

Stock and work in progress are valued at the lower of cost or net realisable value.

#### 1.7 Deferred taxation

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

Deferred tax is recognised in respect of all 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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 1 Accounting policies (continued)

#### 1.8 Foreign currency transactions

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the translation rates ruling at that date. These translation differences are dealt with in the profit and loss account.

#### 1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 2 Turnover

#### Geographical market

	2014 £	2013 £
UK	26,906,907	28,634,281
Rest of World	7,830,641	6,331,235
	<u>34,737,548</u>	<u>34,965,516</u>

### 3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Depreciation of owned tangible assets	156,560	204,669
Depreciation of assets held under hire purchase agreements	88,614	87,520
(Profit)/Loss on foreign currency	(1,443)	708
Auditors' remuneration -audit	6,000	6,000
-other services	650	650
and after crediting:		
Profit on disposal of tangible assets	-	(12,172)
	<u></u>	<u></u>

### 4 Interest payable

	2014 £	2013 £
On bank loans and overdrafts	11,759	12,956
Hire purchase interest	6,030	9,637
John Deere stocking interest	2,300	1,040
	<u>20,089</u>	<u>23,633</u>

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 5 Taxation

	2014 £	2013 £
<b>Domestic current period tax</b>		
U.K. corporation tax	119,872	135,117
Adjustment for prior period	(1,155)	(2,581)
<b>Current tax charge</b>	118,717	132,536
<b>Deferred tax</b>		
Deferred tax charge current period	26,315	2,409
	145,032	134,945
<b>Factors affecting the tax charge for the period</b>		
Profit on ordinary activities before taxation	603,846	593,097
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.09% (2013: 24.17%)	139,398	143,352
Effects of:		
Non deductible expenses	4,774	-
Depreciation add back	56,598	67,680
Capital allowances	(77,647)	(73,215)
Other adjustments	(3,251)	(2,700)
Adjustment for prior period	(1,155)	(2,581)
	(20,681)	(10,816)
<b>Current tax charge</b>	118,717	132,536

### 6 Dividends

	2014 £	2013 £
Interim dividends in respect of year ended 28 February 2014		
Ordinary shares	65,000	95,000
6 April 2013                      £5.00 per ordinary share		
12 July 2013                      £7.50 per ordinary share		
1 October 2013                   £7.50 per ordinary share		
30 January 2013                £12.50 per ordinary share		

**Dividends paid after the balance sheet are as follows:**

-	10,000
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# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 March 2013	1,270,033	1,616,121	258,941	3,145,095
Additions	-	1,276,637	8,051	1,284,688
Disposals	-	(1,656,700)	-	(1,656,700)
At 28 February 2014	1,270,033	1,236,058	266,992	2,773,083
<b>Depreciation</b>				
At 1 March 2013	78,686	240,358	151,548	470,592
Charge for year	15,879	189,908	39,387	245,174
Disposals	-	(139,284)	-	(139,284)
At 28 February 2014	94,565	290,982	190,935	576,482
<b>Net book value</b>				
At 28 February 2014	1,175,468	945,076	76,057	2,196,601
At 28 February 2013	1,191,347	1,375,763	107,393	2,674,503

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

	Plant and machinery £	Motor vehicles £
<b>Net book values</b>		
At 28 February 2014	872,127	28,688
At 28 February 2013	1,234,370	72,333
<b>Depreciation charge for the year</b>		
At 28 February 2014	77,364	11,250
At 28 February 2013	64,145	23,375

The gross amount of land and buildings on which depreciation is being provided is £798,972 (2013: £798,972). Freehold land and buildings includes £471,061 (2013: £471,061) non-depreciable land.



# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

<b>8</b>	<b>Stocks and work in progress</b>	<b>2014 £</b>	<b>2013 £</b>
	Raw materials and consumables	585,558	531,620
	Work in progress	13,850	17,860
	Finished goods and goods for resale	6,999,544	5,987,936
		<u>7,598,952</u>	<u>6,537,416</u>
<b>9</b>	<b>Debtors</b>	<b>2014 £</b>	<b>2013 £</b>
	Trade debtors	4,125,141	4,112,763
	Due from parent company and fellow subsidiary undertakings	870,117	745,067
	Other debtors	106,332	-
	Prepayments and accrued income	2,983	2,207
		<u>5,104,573</u>	<u>4,860,037</u>
<b>10</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014 £</b>	<b>2013 £</b>
	Bank loans and overdrafts	83,199	83,526
	Other loans	111,000	-
	Due to fellow subsidiary undertakings	185,045	304,591
	Net obligations under finance leases and hire purchase contracts	664,510	1,131,276
	Trade creditors	7,073,531	4,983,576
	Corporation tax	119,872	29,777
	Other taxes and social security costs	49,808	136,898
	Other creditors	67,294	47,742
	Accruals and deferred income	3,175,225	2,677,411
		<u>11,529,484</u>	<u>9,394,797</u>
	Debt due in one year or less	<u>83,199</u>	<u>83,526</u>

The bank facility is secured by a fixed and floating charge over all the assets of the company, together with a 1st legal charge over the company's freehold property. In addition unlimited cross guarantees exist between the company and its parent, Cornthwaite Holdings Limited and its fellow subsidiary, Agricultural Machinery (Nantwich) Limited.

Other loans are interest free stocking loans from John Deere Bank S.A. on used equipment traded in against new machines. These loans are secured on the equipment traded in.

The obligations under hire purchase contracts are secured on the assets subject to those contracts.

The aggregate amount of secured creditors is £1,050,576 (2013: £1,542,421).

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	185,808	266,878
Net obligations under finance leases and hire purchase contracts	6,059	60,741
	<u>191,867</u>	<u>327,619</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	-	350,404
Wholly repayable within five years	269,007	-
	<u>269,007</u>	<u>350,404</u>
Included in current liabilities	(83,199)	(83,526)
Amount due after more than one year	<u>185,808</u>	<u>266,878</u>
Instalments not due within five years	<u>-</u>	<u>12,000</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	83,199	83,525
In more than two years but not more than five years	102,609	171,353
In five years or more	-	12,000
	<u></u>	<u></u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	666,074	1,137,203
Repayable between one and five years	6,230	62,530
	<u>672,304</u>	<u>1,199,733</u>
Finance charges and interest allocated to future accounting periods	(1,735)	(7,716)
	<u>670,569</u>	<u>1,192,017</u>
Included in liabilities falling due within one year	<u>(664,510)</u>	<u>(1,131,276)</u>
	<u>6,059</u>	<u>60,741</u>

The company has four bank loans repayable by monthly instalments. Three loans carry an interest rate of 1.5% above base rate and one carries an interest rate of 3.15% above base rate.

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 12 Provisions for liabilities and charges

	<b>Deferred tax liability £</b>
Balance at 1 March 2013	77,509
Profit and loss account	26,315
	<u>103,824</u>
Balance at 28 February 2014	<u>103,824</u>

The deferred tax liability is made up as follows:

	<b>2014 £</b>	<b>2013 £</b>
Accelerated capital allowances	<u>103,824</u>	<u>77,509</u>

### 13 Share capital

	<b>2014 £</b>	<b>2013 £</b>
<b>Authorised</b>		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
<b>Allotted, called up and fully paid</b>		
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

### 14 Statement of movement on reserves

	<b>Share premium account £</b>	<b>Profit and loss account £</b>
Balance at 1 March 2013	1,734,982	2,772,823
Profit for the year	-	458,814
Dividends paid (note 6)	-	(65,000)
Balance at 28 February 2014	<u>1,734,982</u>	<u>3,166,637</u>

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	458,814	458,152
Dividends	(65,000)	(95,000)
	<hr/>	<hr/>
Increase in shareholders funds	393,814	363,152
Opening shareholders' funds	4,509,805	4,146,653
	<hr/>	<hr/>
Closing shareholders' funds	4,903,619	4,509,805
	<hr/>	<hr/>

### 16 Contingent liabilities

The company has given an unlimited guarantee in respect of the bank borrowings of its parent company Cornthwaite Holdings Limited and of its fellow subsidiary, Agricultural Machinery (Nantwich) Limited. This guarantee is supported by a debenture on all companies and by legal charges over land and buildings owned by the company.

At the year end the potential liability amounted to £Nil (2013: £Nil).

### 17 Director's emoluments

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	248,232	242,102
	<hr/>	<hr/>
Information regarding the highest paid director is as follows:		
Emoluments etc	154,014	146,945
	<hr/>	<hr/>

### 18 Related party transactions

At the year end the following amounts were due to directors:	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
S A Cornthwaite	7,657	6,861
J E Ashe	73	22
	<hr/>	<hr/>

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Dividends paid to parent company during the period.	65,000	95,000
	<hr/>	<hr/>

At the year end the sum of £870,042 (2013: £744,992) was due from Cornthwaite Investments (AG) Limited, a fellow group subsidiary undertaking.

At the year end the sum of £185,045 (2013: £304,591) was due to Agricultural Machinery (Nantwich) Limited a fellow group subsidiary undertaking.

During the year the following transactions took place between Cornthwaite Agricultural Limited and Agricultural Machinery (Nantwich) Limited.

Purchases: £2,796,613 (2013: £3,433,878)  
Sales: £1,146,796 (2013: £1,341,066)

A management charge of £78,000 (2013: £78,000) was made by Cornthwaite Agricultural Limited to Agricultural Machinery (Nantwich)-Limited for the year ended 28 February 2014.

# CORNTHWAITE AGRICULTURAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

### 19 Employees

#### Number of employees

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

	2014 Number	2013 Number
Directors	2	2
Management/administration	5	5
Sales/ after sales	23	23
	<u>30</u>	<u>30</u>
	£	£
Wages and salaries	1,173,228	1,120,575
Social security costs	135,818	121,678
Other pension costs	27,015	5,385
	<u>1,336,061</u>	<u>1,247,638</u>

### 20 Control

The ultimate holding company is Cornthwaite Holdings Limited, a company registered in England.

The ultimate controlling party is S A Cornthwaite, the sole director and shareholder of that company.

Copies of the consolidated financial statements of Cornthwaite Holdings Limited, which is both the smallest and largest group for which consolidated financial statements are prepared, may be obtained from Cornthwaite Holdings Limited, Hall Lane, Bispham Green, Ormskirk, Lancs. L40 3SB.

### 21 Pension costs

The company operates a number of defined contribution pension schemes. The charge for the period is:

2014	2013
£	£
<u>27,015</u>	<u>5,385</u>

The amount of pension contributions outstanding at the year end was £21,253 (2013: £573)