

LAND MACHINERY LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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LAND MACHINERY LTD

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LAND MACHINERY LTD

COMPANY INFORMATION

Directors Mr D E Jones
Mr P E Jones (Appointed 12 December 2012)

Company number 00447678

Registered office Redlake Trading Estate
Ivybridge
Devon
PL21 0EZ

Auditors Darnells Chartered Accountants
Quay House
Quay Road
Newton Abbot
Devon
TQ12 2BU

LAND MACHINERY LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

This report has been prepared to inform members of the company and help them assess how the directors have performed their duty to promote the success of the company.

Review of the business

As a result of the reorganisation in August 2012, whereby the agricultural machinery distribution activity was transferred to a subsidiary of the principal supplier, turnover is significantly lower than in previous years, but the gross margin and operating profit have improved.

The financial statements for the year ended 30 September 2013 show a profit before tax of £265,000 (2012: loss before tax of £38,000) on turnover of £1.13 million (2012: £8.99 million). There is a profit on ordinary activities after taxation for the year of £212,000 (2012: loss on ordinary activities after taxation of £43,000). Details of the movements in reserves are shown in the notes to the financial statements. No interim dividends were paid during the year. The directors do not recommend payment of a final dividend.

The company's Balance Sheet remains strong, and there are adequate cash resources and facilities available to finance an increased level of business activity.

Principal risks and uncertainties

The company's principal operational risks include demand for its products and the health and safety of employees. The management of price fluctuations, and the management of the pressures on supply and demand, includes reviewing the standard costs of producing spark arrestors and ensuring that wherever possible price increases from suppliers are passed on to customers. The directors manage health and safety risks through regular assessment and, where appropriate, obtain external support.

The company's principal commercial risks include competitive pressure and the loss of key contracts. The company is also expanding its customer base, and sets out to provide high quality products to its customers.

Future developments

The directors are confident that the company is in a strong position, and remain optimistic as they continue to focus on reducing costs whilst striving to expand the operations. The directors are working in closer partnership with all important customers to strengthen the commercial relations whilst protecting margins.

Financial instruments

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance its operations.

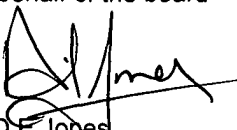
Due to the nature of the financial instruments used by the company, there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, the liquidity risk is managed by maintaining sufficient cash reserves to cover planned expenditure in the foreseeable future.

Trade debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

On behalf of the board


Mr D E Jones
Director

11 March 2014

LAND MACHINERY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and financial statements for the year ended 30 September 2013.

Principal activities and review of the business

The principal activity of the company during the year was that of the manufacture and distribution of exhaust gas emission control equipment for use in industry.

Results and dividends

The results for the year are set out on page 7.

Purchase of own shares

During the year the company purchased 41,250 ordinary shares of 20p each, representing 27.5% of the company's called up share capital, for aggregate consideration of £722,000 on the retirement of Mr S M Metcalfe and Mr R J Phillimore as directors of the company. The shares acquired were cancelled by the company immediately following their purchase.

Directors

The following directors have held office since 1 October 2012:

Mr D E Jones	
Mr S M Metcalfe	(Resigned 12 December 2012)
Mr R J Phillimore	(Resigned 12 December 2012)
Mr P E Jones	(Appointed 12 December 2012)

No director had at any time during the year a material interest in any contract of significance in relation to the company's business, other than D E Jones whose interest in IAM Agricultural Machinery Limited, and related contracts, are summarised in note 26 to the financial statements.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LAND MACHINERY LTD


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr D/E Jones
Director

11 March 2014

LAND MACHINERY LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LAND MACHINERY LTD

We have audited the financial statements of Land Machinery Ltd for the year ended 30 September 2013 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, 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 Directors' 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 30 September 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

LAND MACHINERY LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LAND MACHINERY LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Paul Beard (Senior Statutory Auditor)
for and on behalf of

Darnells Chartered Accountants
Statutory Auditor

Quay House
Quay Road
Newton Abbot
Devon

TQ12 2BU

11 March 2014

LAND MACHINERY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	2013 £'000	2012 £'000
Turnover	2		
Continuing operations		1,132	1,097
Discontinued activities		-	7,898
		<u>1,132</u>	<u>8,995</u>
Cost of sales		(361)	(6,973)
Gross profit		<u>771</u>	<u>2,022</u>
Distribution costs		-	(773)
Administrative expenses		(576)	(1,113)
		<u>-</u>	<u>-</u>
Operating profit	4		
Continuing operations		195	147
Discontinued activities		-	(11)
		<u>195</u>	<u>136</u>
Exceptional cost of reorganisation	4	52	(148)
Profit/(loss) on ordinary activities before interest		<u>247</u>	<u>(12)</u>
Investment income	5	-	313
Other interest receivable and similar income	5	18	18
Amounts written off investments	6	-	(313)
Interest payable and similar charges	7	-	(44)
		<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		<u>265</u>	<u>(38)</u>
Tax on profit/(loss) on ordinary activities	8	(53)	(5)
Profit/(loss) for the year	18	<u>212</u>	<u>(43)</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

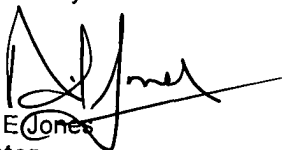
LAND MACHINERY LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	10	88	70
Investments	11	-	-
		<u>88</u>	<u>70</u>
Current assets			
Stocks	12	90	88
Debtors	13	1,174	598
Cash at bank and in hand		742	2,740
		<u>2,006</u>	<u>3,426</u>
Creditors: amounts falling due within one year	14	(267)	(839)
Net current assets		<u>1,739</u>	<u>2,587</u>
Total assets less current liabilities		<u>1,827</u>	<u>2,657</u>
Provisions for liabilities	15	(10)	(330)
		<u>1,817</u>	<u>2,327</u>
Capital and reserves			
Called up share capital	17	22	30
Profit and loss account	18	1,795	2,297
Shareholders' funds	19	<u>1,817</u>	<u>2,327</u>

Approved by the Board and authorised for issue on 11 March 2014


 Mr D E Jones
 Director

Company Registration No. 00447678

LAND MACHINERY LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	£'000	2013 £'000	£'000	2012 £'000
Net cash (outflow)/inflow from operating activities	24		(1,261)		1,667
Returns on investments and servicing of finance					
Interest received		18		18	
Interest paid		-		(44)	
Net cash inflow for returns on investments and servicing of finance			18		(26)
Taxation			3		(3)
Capital expenditure					
Payments to acquire tangible assets		(36)		(28)	
Receipts from sales of tangible assets		-		23	
Net cash outflow for capital expenditure			(36)		(5)
Equity dividends paid			-		(75)
Net cash (outflow)/inflow before management of liquid resources and financing			(1,276)		1,558
Financing					
Purchase of own shares		(722)		-	
Net cash outflow from financing			(722)		-
Increase/(decrease) in cash in the year	25		(1,998)		1,558

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

1.1 Accounting convention

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention.

1.2 Turnover

Turnover represents sales of goods and services net of discounts, allowances and value added tax from the company's principal activity during the year of the manufacture and distribution of exhaust gas emission control equipment for use in industry.

Revenue is recognised when the goods are physically delivered to the customer, at which point the significant risks and rewards of ownership have been transferred to the buyer.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	On a straight line basis over the period of the lease
Plant and machinery	10% per annum on a straight line basis
Fixtures, fittings and equipment	10% - 25% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis

1.4 Leasing

Assets acquired under finance leases and hire purchase contracts are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account as incurred.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Where relevant, cost includes an appropriate share of overheads.

1.7 Pensions

Land Machinery Limited operates a defined contribution group personal pension plan, the assets of which are held separately in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

1.8 Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

1.9 Foreign currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, or if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so on the grounds that the subsidiary companies are immaterial, both individually and collectively.

2 Turnover

Geographical market

	2013 £'000	2012 £'000
EC export sales	115	144
Non-EC export sales	172	167
UK sales	845	8,684
	<u>1,132</u>	<u>8,995</u>

3 Cost of sales and net operating expenses

	2013		2012	
	Continuing £'000	Discontinued £'000	Continuing £'000	Discontinued £'000
Cost of sales	361	-	316	6,657
Distribution costs	-	-	236	537
Administrative expenses	576	-	398	715
	<u>937</u>	<u>-</u>	<u>950</u>	<u>7,909</u>
				<u>8,859</u>

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

4	Operating profit	2013 £'000	2012 £'000
	Operating profit is stated after charging:		
	Depreciation of tangible assets		
	- Owned	12	11
	- Leased	6	2
	Loss on foreign exchange transactions	-	3
	Operating lease rentals		
	- Plant and machinery	5	32
	- Other assets	26	92
	Auditors' remuneration (including expenses and benefits in kind)	6	10
	and after crediting:		
	Rents receivable	-	(4)
	Profit on disposal of tangible assets	-	(17)
	Profit on foreign exchange transactions	(2)	-
		<u> </u>	<u> </u>

Exceptional items - fundamental reorganisation:

The directors took the decision to close the Agricultural division at the end of August 2012 and provision was made for the net additional costs expected to be incurred of £148,000.

The actual costs incurred in the current year were less than the provision made and the excess provision of £52,000 has been released back to the profit and loss account. The tax effect of this exceptional item has been to increase the current tax charge by £13,000.

5	Investment income	2013 £'000	2012 £'000
	Income from shares in group undertakings	-	313
	Bank interest	18	18
		<u> </u>	<u> </u>
		18	331
		<u> </u>	<u> </u>

6	Amounts written off investments	2013 £'000	2012 £'000
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	313
		<u> </u>	<u> </u>

In the year to 30 September 2012 the reserves of JF (GB) Limited, a subsidiary company, amounting to £313,000 were transferred to the company by way of dividend (see note 5 to the financial statements).

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

7	Interest payable	2013 £'000	2012 £'000
	On loans repayable within five years	-	44
8	Taxation	2013 £'000	2012 £'000
	Domestic current year tax		
	U.K. corporation tax	50	(3)
	Adjustment for prior years	-	1
	Total current tax	50	(2)
	Deferred tax		
	Deferred tax charge/credit current year	3	7
		53	5
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	265	(38)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.50% (2012 - 20.00%)	62	(8)
	Effects of:		
	Non deductible expenses	1	3
	Depreciation add back	4	(1)
	Capital allowances	(8)	(5)
	Tax losses utilised	(9)	(3)
	Adjustments to previous periods	-	1
	Other tax adjustments	-	11
		(12)	6
	Current tax charge for the year	50	(2)

The company has estimated losses of £ nil (2012 - £ 40,000) available for carry forward against future trading profits.

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

9	Dividends	2013 £'000	2012 £'000
	Ordinary final paid	-	75

Dividends of £nil (2012: £75,000) were paid to the directors in the year.

10	Tangible fixed assets	Land and buildings Leasehold £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
	Cost					
	At 1 October 2012	25	125	26	-	176
	Additions	15	3	15	3	36
	Disposals	-	(3)	(5)	-	(8)
	At 30 September 2013	40	125	36	3	204
	Depreciation					
	At 1 October 2012	8	79	19	-	106
	Charge for the year	6	7	4	1	18
	On disposals	-	(3)	(5)	-	(8)
	At 30 September 2013	14	83	18	1	116
	Net book value					
	At 30 September 2013	26	42	18	2	88
	At 30 September 2012	17	46	7	-	70

The leasehold land and buildings above are held on a short lease (less than 50 years unexpired at the balance sheet date).

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

11 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 October 2012 & at 30 September 2013	-
Net book value	
At 30 September 2012 and 2013	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
LandMec Limited	Scotland	Ordinary		100.00
WestMac Limited	England & Wales	Ordinary		100.00
Western Tydens Limited	England & Wales	Ordinary		100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2013 £'000	Profit/(loss) for the year 2013 £'000
	Principal activity		
LandMec Limited	Dormant	-	-
WestMac Limited	Dormant	-	-
Western Tydens Limited	Dormant	-	-

The subsidiary company JF (GB) Limited was dissolved 10 January 2013.

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

12	Stocks and work in progress	2013	2012
		£'000	£'000
	Raw materials and consumables	63	68
	Work in progress	-	14
	Finished goods and goods for resale	27	6
		<hr/>	<hr/>
		90	88
		<hr/>	<hr/>

In the opinion of the directors the estimated net replacement cost of stocks is not materially different from the above figures.

13	Debtors	2013	2012
		£'000	£'000
	Trade debtors	175	544
	Amounts owed by parent and fellow subsidiary undertakings	980	-
	Corporation tax	-	3
	Other debtors	-	20
	Prepayments and accrued income	19	31
		<hr/>	<hr/>
		1,174	598
		<hr/>	<hr/>

14	Creditors: amounts falling due within one year	2013	2012
		£'000	£'000
	Trade creditors	75	183
	Corporation tax	50	-
	Other taxes and social security costs	34	553
	Other creditors	2	-
	Accruals and deferred income	106	103
		<hr/>	<hr/>
		267	839
		<hr/>	<hr/>

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

15 Provisions for liabilities

	Deferred tax liability	Other	Total
	£'000	£'000	£'000
Balance at 1 October 2012	7	323	330
Profit and loss account	3	(52)	(49)
Amount of provision used	-	271	271
Balance at 30 September 2013	10	-	10

Other provisions represent the costs incurred after the year end as a result of the directors' decision to close the Agricultural division in August 2012.

The deferred tax liability is made up as follows:

	2013 £'000	2012 £'000
Accelerated capital allowances	10	7

16 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At 30 September 2013 there were outstanding contributions of £2,000 (2012 - £nil).

	2013 £'000	2012 £'000
Contributions payable by the company for the year	10	48

17 Share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid 108,750 Ordinary shares of 20p each	22	30

During the year the company purchased 41,250 of its ordinary shares of 20p each at a premium of £17.30 per share.

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

18 Statement of movements on profit and loss account

Profit and loss account

£'000

Balance at 1 October 2012	2,297
Profit for the year	212
Purchase of own shares	(714)
Balance at 30 September 2013	1,795

19 Reconciliation of movements in shareholders' funds

2013
£'000

2012
£'000

Profit/(Loss) for the financial year	212	(43)
Dividends	-	(75)
Purchase of own shares	(714)	-
Nominal value of shares purchased	(8)	-
Net depletion in shareholders' funds	(510)	(118)
Opening shareholders' funds	2,327	2,445
Closing shareholders' funds	1,817	2,327

20 Financial commitments

At 30 September 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2014:

	Land and buildings		Other	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	-	-	-	1
Between two and five years	25	25	10	34
	25	25	10	35

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

21	Directors' remuneration	2013 £'000	2012 £'000
	Remuneration for qualifying services	63	153
	Company pension contributions to defined contribution schemes	1	5
		<u>64</u>	<u>158</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2012 - 2).

No share options were granted to any director during the year.

22 Employees

Number of employees

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

	2013 Number	2012 Number
Production	9	7
Administration	7	22
Sales and distribution	-	6
	<u>16</u>	<u>35</u>

Employment costs

	2013 £'000	2012 £'000
Wages and salaries	317	945
Social security costs	25	88
Other pension costs	10	48
	<u>352</u>	<u>1,081</u>

23 Control

The ultimate parent company is Tuckmill Investments Limited, a company registered in Ireland. Tuckmill Investments Limited prepares group financial statements and copies can be obtained from Tuckmilltown, Straffan, County Kildare, Ireland.

The ultimate controlling party is Mr D E Jones, the sole shareholder.

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

24	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2013 £'000	2012 £'000
	Operating profit	195	136
	Depreciation of tangible assets	18	13
	Loss/(profit) on disposal of tangible assets	-	(17)
	(Increase)/decrease in stocks	(2)	1,600
	(Increase)/decrease in debtors	(579)	667
	Decrease in creditors within one year	(622)	(908)
	Exceptional reorganisation costs	52	(148)
	Movement on other provisions	(323)	324
	Net cash (outflow)/inflow from operating activities	(1,261)	1,667

25	Analysis of net funds	1 October 2012 £'000	Cash flow £'000	Other non- cash changes £'000	30 September 2013 £'000
	Net cash:				
	Cash at bank and in hand	2,740	(1,998)	-	742
	Net funds	2,740	(1,998)	-	742

26 Related party relationships and transactions

Advances and credits to directors

Advances and credits granted to the directors during the year are outlined in the table below:

	% Rate	Opening Balance £'000	Amounts Advanced £'000	Interest Charged £'000	Amounts Repaid £'000	Closing Balance £'000
Mr D E Jones	-	-	76	-	(76)	-
		-	76	-	(76)	-

LAND MACHINERY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

26 Related party relationships and transactions

Other transactions

During the year the company made loans of £500,000 (2012 - £nil) to Tuckmill Investments Limited, the parent company, and £480,000 (2012 - £nil) to Tuckmill Property Investments Limited, a fellow subsidiary company. These loans were still outstanding at 30 September 2013.

During the year the company had the following transactions with IAM Agricultural Machinery Ltd and Kverneland Group Ireland Limited:

Sales of £53,000 (2012 - £64,000)

Amounts owed to Land Machinery Limited at the period end £2,000 (2012: £11,000)

Mr D E Jones is the managing director and majority shareholder of IAM Agricultural Machinery Limited, and Kverneland Group Ireland Limited is 49% owned by IAM Agricultural Machinery Limited.