

SPALDINGS HOLDINGS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2014

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SPALDINGS HOLDINGS LIMITED
REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

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**SPALDINGS HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS**

The board of directors

D A Fox
T Masuyama
Y Ishii
H Shimada (appointed 1 April 2013)

Company secretary

J H Sorby

Registered office

25-35 Sadler Road
Lincoln
LN6 3XJ

Bankers

The Royal Bank of Scotland plc
PO Box 7895
6th Floor
Cumberland Place
Nottingham
NG1 7ZS

Solicitors

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

SPALDINGS HOLDINGS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2014

The directors present their strategic report for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

Spaldings Holdings Limited ('the company') acts as a holding company of a group involved in the supply of equipment to the agricultural and ground care markets.

The group continues to supply and distribute patented and other products to the agricultural and ground care markets. Whilst these two markets have many similarities, the group is organised to service them separately to optimise efficiency.

BUSINESS REVIEW

The directors consider the three most important key performance indicators to be turnover, gross margin and operating profit. The previous period's financial statements were for a 15 month period. This was done to enable Spaldings Holdings Limited's accounts to correspond with its parent company's financial year end.

Group Turnover was £26.7m (15 month period ending 31 March 2013 - £31.1m). Market and climatic conditions improved considerably during the first half of the year leading to increased customer demand. Although this demand softened in the second half of the year, turnover showed a comparative 11% increase against the corresponding year in 2012/13 (£24.1m).

Gross profit is £12.6m (15 month period ending 31 March 2013 - £14.4m). More positive climatic conditions also led to an improvement in gross margin, the consolidated margin for the year was 47.4% (2013 - 46.5%), a 0.9% improvement on the previous year. Improvements in turnover and margin led to £2,320,000 (15 month period ending 31 March 2013 - £2,551,000) earnings before interest and tax, a very satisfactory year.

The profit for the year, after taxation, amounted to £1,722,000 (15 month period ending 31 March 2013 - £1,866,000).

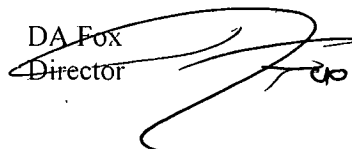
PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the United Kingdom is a continuing risk for the group, which could result in it losing its sales to its key competitors. The group manages this risk by providing high quality products to its customers and by maintaining strong relationships.

Many of the Group's purchases are made in Euros and it is therefore exposed to movements in the Euro to Pound Sterling exchange rate. The group mitigates this risk, where significant, by the use of forward contracts as at out in note 25.

Signed by order of the directors

DA Fox
Director



Approved by the directors on 20 November 2014

SPALDINGS HOLDINGS LIMITED
THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2014

Registered No. 04897291

The Directors present their report for the year ended 31 March 2014.

DIVIDENDS

The company paid £597,000 of dividends during the year (15 months period ending 31 March 2013 – Nil).

DIRECTORS

The directors who served the company during the year were as follows:

DA Fox

T Masuyama

Y Ishii

H Shimada (appointed 1 April 2013)

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

GOING CONCERN

Group

The directors have considered the cash flow forecasts of the group, and have concluded that the group can operate within its cash and banking facilities for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Company

The company has net current liabilities and relies upon the continued financial support from Spaldings Limited, its subsidiary undertaking, to enable it to continue operating and meet its liabilities as they fall due. Such financial support is confirmed by the subsidiary undertaking and the directors therefore consider it appropriate to prepare financial statements on a going concern basis.

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'J H Sorby', written in a cursive style.

J H Sorby
Company Secretary

Approved by the directors on 20 November 2014

SPALDINGS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

YEAR ENDED 31 MARCH 2014

The directors are responsible for preparing the Strategic Report, 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 the group and of the profit or loss of the group for that year.

In preparing those 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPALDINGS HOLDINGS LIMITED

We have audited the financial statements of Spaldings Holdings Limited for the year ended 31 March 2014 which comprise the Group Profit and loss account, the Group and Parent Company Balance sheets, the Group Cash flow statement and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Reports and Financial Statements 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 March 2014 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPALDINGS HOLDINGS LIMITED (continued)**

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.

Ernst & Young

Steven Bagworth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
5 December 2014

SPALDINGS HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2014

		Year ended 31 March 2014	15month period to 31 March 2013
	Note	£000	£000
GROUP TURNOVER	2	26,676	31,097
Cost of sales		<u>(14,036)</u>	<u>(16,649)</u>
GROSS PROFIT		12,640	14,448
Distribution costs		<u>(1,339)</u>	<u>(1,540)</u>
Administrative expenses		<u>(8,981)</u>	<u>(10,229)</u>
OPERATING PROFIT	3	2,320	2,679
Interest payable and similar charges	6	<u>(1)</u>	<u>(128)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,319	2,551
Tax on profit on ordinary activities	7	<u>(597)</u>	<u>(685)</u>
PROFIT FOR THE FINANCIAL YEAR	22,23	<u>1,722</u>	<u>1,866</u>

All of the activities of the group are classed as continuing.

There were no recognised gains and losses for either period other than those included in the profit and loss account

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

The notes on pages 12 to 26 form part of these financial statements.

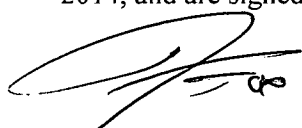
SPALDINGS HOLDINGS LIMITED

GROUP BALANCE SHEET

31 MARCH 2014

		2014	2013
	Note	£000	£000
FIXED ASSETS			
Intangible assets	10	1,471	1,623
Tangible fixed assets	11	1,528	1,595
		<u>2,999</u>	<u>3,218</u>
CURRENT ASSETS			
Stocks	13	3,783	3,642
Debtors	14	4,699	4,374
Cash at bank		1,067	440
		<u>9,549</u>	<u>8,456</u>
CREDITORS: Amounts falling due within one year	16	4,181	4,432
NET CURRENT ASSETS		<u>5,368</u>	<u>4,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,367</u>	<u>7,242</u>
		<u><u>8,367</u></u>	<u><u>7,242</u></u>
EQUITY			
Called-up equity share capital	21	337	337
Share premium account	22	66	66
Profit and loss account	22	7,964	6,839
SHAREHOLDERS' FUNDS	23	<u>8,367</u>	<u>7,242</u>

These financial statements were approved by the directors and authorised for issue on 20 November 2014, and are signed on their behalf by:



D.A. FOX

The notes on pages 12 to 26 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED
PARENT COMPANY BALANCE SHEET
31 MARCH 2014

		2014	2013
	Note	£000	£000
FIXED ASSETS			
Property, plant & equipment	11	1,224	1,292
Investments	12	8,181	8,181
		<u>9,405</u>	<u>9,473</u>
CURRENT ASSETS			
Debtors	14	586	168
CREDITORS: Amounts falling due within one year	16	8,887	7,561
		<u>8,887</u>	<u>7,561</u>
NET CURRENT LIABILITIES		(8,301)	(7,393)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,104	2,080
		<u>1,104</u>	<u>2,080</u>
EQUITY			
Called-up equity share capital	21	337	337
Share premium account	22	66	66
Profit and loss account	22	701	1,677
SHAREHOLDERS' FUNDS		<u>1,104</u>	<u>2,080</u>

These financial statements were approved by the directors and authorised for issue on 20 November 2014, and are signed on their behalf by:



D A FOX

Company Registration Number: 04897291

The notes on pages 12 to 26 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2014

		2014	15month period to 31 March 2013
	Note	£000	£000
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	2,156	1,374
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	(1)	(79)
TAXATION	24	(663)	(613)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	24	(241)	(179)
EQUITY DIVIDENDS PAID		(597)	—
CASH INFLOW BEFORE FINANCING		654	503
FINANCING	24	(27)	(1,467)
INCREASE/(DECREASE) IN CASH	24	627	(964)

The notes on pages 12 to 26 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of accounting

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

The financial statements have been prepared on a going concern basis. In arriving at this conclusion, the directors have reviewed the cash flow forecasts of the company and have considered the support of its subsidiary company Spaldings Limited, and have concluded that the company can operate within those facilities for a period of at least 12 months from the date of approval of the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Spaldings Holdings Limited and all of its subsidiary undertakings made up to 31 March 2014.

In accordance with s408(4) of the Companies Act 2006, a separate profit and loss account dealing with the results of the company only has not been presented.

Turnover and revenue recognition

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebate, VAT and other sales taxes or duty.

Goodwill

Purchased goodwill (representing the excess of fair value of the consideration given over fair value of the separable net assets acquired) arising on consolidation is capitalised and positive goodwill is amortised by equal annual instalments over its useful life which is currently 20 years.

Purchased goodwill arising in connection with specific products is amortised by equal annual instalments over its useful life.

On subsequent disposal or termination, the profit or loss on disposal or termination is calculated after charging/(crediting) the unamortised amount of any related goodwill (negative goodwill).

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Fixed assets

All fixed assets are recorded at cost less any provision for impairment.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (*continued*)

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	- 2% per annum straight line
Plant & machinery	- 10 - 33% per annum straight line

No depreciation is provided on freehold land.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items. Purchase cost is on a first-in first-out basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the group profit and loss account.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted.

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

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (*continued*)

Cash

Cash, for the purposes of the statement of cash flow, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.
An analysis of turnover is given below:

	2014	15month period to 31 March 2013
	£000	£000
United Kingdom	25,519	24,905
Overseas	1,157	1,692
	<u>26,676</u>	<u>31,097</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014	15 month period to 31 March 2013
	£000	£000
Amortisation of intangible assets (note 10)	152	191
Depreciation of owned fixed assets (note 11)	273	374
Depreciation of assets held under hire purchase agreements (note 11)	34	239
Loss/(profit) on disposal of fixed assets	1	(6)
Auditor's remuneration		
- as auditor	31	23
Operating lease costs:		
- Plant and equipment	528	452
- Land and Buildings	54	-
Net profit on foreign currency translation	<u>3</u>	<u>30</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2014	15 month period to 31 March 2013
	No	No
Number of administrative staff	53	48
Number of management staff	2	2
Number of sales staff	79	73
Number of stores staff	25	25
	<u>159</u>	<u>148</u>

The aggregate payroll costs of the above were:

	2014	15 month period to 31 March 2013
	£000	£000
Wages and salaries	5,265	5,794
Social security costs	543	567
Other pension costs	142	164
	<u>5,950</u>	<u>6,525</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	15 month period to 31 March 2013
	£000	£000
Remuneration receivable (excl. pension contributions)	180	369
Value of company pension contributions to money purchase schemes	15	27
	<u>195</u>	<u>396</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014	15 month period to 31 March 2013
	No	No
Money purchase schemes	<u>1</u>	<u>6</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	15 moth period to 31 March 2013
	£000	£000
Interest payable on bank borrowing	–	(66)
Finance charges	(1)	7)
Interest payable on other loans	–	(6)
Amortisation of financing costs	–	(49)
	<u>(1)</u>	<u>(128)</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	12m to 31 March 2014	15m to 31 March 2013
	£000	£000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (15 month period to 31 March 2013 – 24.4%)	611	742
(Over)/under provision in prior year	(20)	–
Total current tax	<u>591</u>	<u>742</u>
Deferred tax:		
Origination and reversal of timing differences	6	(57)
Tax on profit on ordinary activities	<u>597</u>	<u>685</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (15 month period to 31 March 2013 – 24.40%).

	2014	15 month period to 31 March 2013
	£000	£000
Profit on ordinary activities before taxation	<u>2,319</u>	<u>2,551</u>
Profit on ordinary activities by rate of tax	533	622
Expenses not deductible for tax	44	47
Capital allowances in excess of depreciation	26	88
Other timing differences	9	(15)
Adjustments for previous years	<u>(20)</u>	<u> </u>
Total current tax (note 7(a))	<u>591</u>	<u>742</u>

(c) Factors that may affect future tax charges

The Finance Act 2013 was substantively enacted in July 2013 including a provision to reduce the corporation tax rate to 21% from 1 April 2014 and to 20% by the financial year commencing 1 April 2015. The company considers that the timing differences included in the deferred tax calculation will, for the most part, reverse after 1 April 2015 and therefore the deferred tax asset/liability has been calculated using the 20% rate.

8. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £379,000 (15 month period to 31 March 2013 - £521,000).

9. DIVIDENDS

Equity dividends

	2014	15 month period to 31 March 2013
	£000	£000
Paid		
Equity dividends on ordinary shares	<u>597</u>	<u>-</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
COST	
At 31 March 2013 and 31 March 2014	<u><u>3,074</u></u>
AMORTISATION	
At 31 March 2013	1,451
Charge for the year	<u>152</u>
At 31 March 2014	<u><u>1,603</u></u>
NET BOOK VALUE	
At 31 March 2014	<u><u>1,471</u></u>
At 31 March 2013	<u><u>1,623</u></u>

11. TANGIBLE FIXED ASSETS

Group	Freehold property £000	Plant & equipment £000	Total £000
COST			
At 1 April 2013	1,881	3,027	4,908
Additions	–	241	241
Disposals	–	(264)	(264)
At 31 March 2014	<u><u>1,881</u></u>	<u><u>3,004</u></u>	<u><u>4,885</u></u>
DEPRECIATION			
At 1 April 2013	702	2,611	3,313
Charge for the year	67	240	307
On disposals	–	(263)	(263)
At 31 March 2014	<u><u>769</u></u>	<u><u>2,588</u></u>	<u><u>3,357</u></u>
NET BOOK VALUE			
At 31 March 2014	<u><u>1,112</u></u>	<u><u>416</u></u>	<u><u>1,528</u></u>
At 1 April 2013	<u><u>1,179</u></u>	<u><u>416</u></u>	<u><u>1,595</u></u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

11. TANGIBLE FIXED ASSETS (continued)

Freehold land and buildings shown above include non-depreciable assets at a gross value of £75,000 (2013 - £75,000).

Hire purchase agreements

There are no assets held under hire purchase agreements included within the net book value of £1,528,000 as at the balance sheet date (15 month period to 31 March 2013 - £53,000). The depreciation charged to the financial statements in the year in respect of such assets amounted to £34,000 (15 month period to 31 March 2013 - £243,000).

12. INVESTMENTS

Company	£000
COST	
At 31 March 2013 and 31 March 2014	<u>8,181</u>
NET BOOK VALUE	
At 31 March 2014	<u>8,181</u>

Subsidiary undertakings	Country of incorporation	Class of share	Proportion of voting rights and shares held	Nature of business
Spaldings Limited	England	Ordinary	100%	Trading

The company above supplies equipment to the agricultural and ground care markets.

13. STOCKS

	Group	
	2014	2013
	£000	£000
Finished goods and goods for resale	<u>3,783</u>	<u>3,642</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

14. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade debtors	3,672	3,885	–	–
Amounts owed by group undertakings	500	–	500	–
Corporation tax	–	–	86	102
Deferred taxation (Note 15)	96	102	–	–
Prepayments and accrued income	431	387	–	–
	<u>4,699</u>	<u>4,374</u>	<u>586</u>	<u>102</u>

All debtors are repayable within one year of the balance sheet date.

15. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Asset brought forward	102	45	(5)	(5)
(Decrease)/increase in asset	(6)	57	1	–
Asset/(provision) carried forward	<u>96</u>	<u>102</u>	<u>(4)</u>	<u>(5)</u>

The group and company's assets for deferred taxation consist of the tax effect of timing differences in respect of:

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Excess of depreciation over taxation allowances	96	102	(4)	(5)
	<u>96</u>	<u>102</u>	<u>(4)</u>	<u>(5)</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loans and overdrafts	-	-	(3,984)	(3,983)
Trade creditors	(3,312)	(3,275)	-	-
Amounts owed to group undertakings	-	-	(4,897)	(3,571)
Hire purchase agreements	-	(27)	-	-
Other creditors including taxation and social security:				
Corporation tax	(176)	(248)	-	-
Other taxation and social security	(482)	(711)	(2)	(2)
Deferred tax	-	-	(4)	(5)
Other creditors	(27)	(23)	-	-
Accruals and deferred income	(184)	(148)	-	-
	<u>(4,181)</u>	<u>(4,432)</u>	<u>(8,887)</u>	<u>(7,561)</u>

The bank overdraft with The Royal Bank of Scotland is guaranteed by Spaldings Limited under an intercompany guarantee arrangement with the bank and a right of offset exists to net Spaldings Limited cash balance and Spaldings Holdings overdraft.

17. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group	
	2014	2013
	£000	£000
Amounts payable within 1 year	-	27
Amounts payable between 2 to 5 years	-	-
	<u>-</u>	<u>27</u>

18. PENSIONS

The company operates a defined contribution scheme. The pension charge in the period was £142,000 (15 month period to 31 March 2013 - £164,000) and there were outstanding contributions of £11,000 (15 month period to 31 March 2013 - £10,000) at the end of the year.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2014		2013	
	Land and buildings	Other items	Land and buildings	Other items
	£000	£000	£000	£000
Operating leases which expire:				
Within 1 year	–	99	–	93
Within 2 to 5 years	<u>668</u>	<u>478</u>	<u>–</u>	<u>393</u>
	<u>668</u>	<u>577</u>	<u>–</u>	<u>486</u>

20. RELATED PARTY TRANSACTIONS

Spaldings Holdings Ltd. is 95% owned by Marubeni Agro Machinery Holdings Ltd and therefore it and its subsidiary, Spaldings Ltd., are related parties of Marubeni Agro Machinery Holdings Ltd, and these accounts are publicly available.

During the period Spaldings Holdings Ltd loaned Marubeni Agro Machinery Ltd £500,000. £799 of interest was charged during the period. The loan was outstanding at the year end.

Marubeni Agro Machinery Holdings Ltd charged Spaldings Holdings Ltd a management fee for services provided of £100,000. None of this balance was outstanding at the period end date.

Marubeni Agro Machinery Holdings Ltd charged Spaldings Ltd £112,000 during the period for the surrender of its 2013 tax losses in the form of group relief. None of this balance was outstanding at the period end.

Spaldings Ltd recharged services totalling £9,429 (2013: £11,218) to Marubeni Agro Machinery during the period. At the period end date a balance of £596 (2013: £1,749) was outstanding.

21. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£000	No	£000
336,587 Ordinary shares	<u>336,587</u>	<u>337</u>	<u>336,587</u>	<u>337</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

22. RESERVES

Group	Share premium £000	Profit and loss account £000
At 1 April 2013	66	6,839
Profit for the year	–	1,722
Dividends paid	–	(597)
At 31 March 2014	<u>66</u>	<u>7,964</u>

Company	Share premium £000	Profit and loss account £000
At 1 April 2013	66	1,677
Loss for the year	–	(379)
Dividends paid	–	(597)
At 31 March 2014	<u>66</u>	<u>701</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2014	2013
	£000	£000
Profit for the financial period	1,722	1,866
Called-up equity share capital/ share premium	–	76
Net addition to shareholders' funds	<u>1,722</u>	<u>1,942</u>
Opening shareholders' funds	7,242	5,300
Dividends	(597)	–
Closing shareholders' funds	<u><u>8,367</u></u>	<u><u>7,242</u></u>

Company	2014	2013
	£000	£000
Loss for the financial period	(379)	(521)
Called-up equity share capital/ share premium	–	76
Dividends	(597)	–
Net addition to shareholders' funds	<u>(976)</u>	<u>(445)</u>
Opening shareholders' funds	2,080	2,525
Closing shareholders' funds	<u><u>1,104</u></u>	<u><u>2,080</u></u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

24. NOTES TO THE STATEMENT OF CASH FLOW

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	15 month period to 31 March 2013
	£000	£000
Operating profit	2,320	2,679
Amortisation	152	191
Depreciation	307	613
Loss/(profit) on disposal of fixed assets	1	(6)
(Increase) in stocks	(141)	(816)
(Increase) in debtors	(331)	(2,038)
(Increase)/decrease in creditors	(152)	751
Net cash inflow from operating activities	<u>2,156</u>	<u>1,374</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	15 month period to 31 March 2013
	£000	£000
Interest paid	(1)	(72)
Interest element of hire purchase	—	(7)
Net cash outflow from returns on investments and servicing of finance	<u>(1)</u>	<u>(79)</u>

TAXATION

	2014	15 month period to 31 March 2013
	£000	£000
Taxation	<u>(663)</u>	<u>(613)</u>

CAPITAL EXPENDITURE

	2014	15 month period to 31 March 2013
	£000	£000
Payments to acquire tangible fixed assets	(241)	(187)
Receipts from sale of fixed assets	—	6
Net cash outflow from capital expenditure	<u>(241)</u>	<u>(181)</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014

24. NOTES TO THE STATEMENT OF CASH FLOW (continued)

FINANCING

	2014	15 month period to 31 March 2013
	£000	£000
Repayment of bank loans	—	(1,221)
Capital element of hire purchase	(27)	(172)
Repayment of long-term directors' loans	—	(150)
Share Issue	—	76
Net cash outflow from financing	<u>(27)</u>	<u>(1,467)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	15 month period to 31 March 2013
	£000	£000
Increase / (Decrease) in cash in the period	627	(964)
Net cash outflow from bank loans	—	1,221
Cash outflow in respect of hire purchase	27	172
Cash outflow from directors' long-term loans	—	150
Change in net debt resulting from cash flows	654	579
Non-cash movement	—	(49)
Movement in net debt in the period	<u>654</u>	<u>530</u>
Net debt at beginning of period	413	(117)
Net debt at end of period	<u>1,067</u>	<u>413</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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24. NOTES TO THE STATEMENT OF CASH FLOW (continued)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2013 £000	Cash flows £000	Other changes £000	At 31 March 2014 £000
Net cash:				
Cash in hand and at bank	4,424	627	-	5,051
Overdrafts	(3,984)	-	-	(3,984)
	<u>440</u>	<u>627</u>	<u>-</u>	<u>1,067</u>
Debt:				
Hire purchase agreements	(27)	27	-	-
	<u>(27)</u>	<u>27</u>	<u>-</u>	<u>-</u>
Net debt	<u>413</u>	<u>654</u>	<u>-</u>	<u>1,067</u>

25. DERIVATIVES

The group purchases forward foreign currency contracts to hedge currency exposure on firm future commitments. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values are:

	2014
	£000
Foreign forward currency contracts	<u>36</u>

26. ULTIMATE PARENT COMPANY

The immediate parent undertaking and the smallest group of which the company is a member and for which group accounts are prepared is Marubeni Agro Machinery Holding Limited. In the opinion of the directors, the company's ultimate parent undertaking and ultimate controlling party is Marubeni Corporation, a company incorporated in Japan with limited liability. Copies of the group financial statements of Marubeni Corporation, in which the company's results are consolidated, are available from 4-2 Ohtemachi 1-Chome, Chiyoda-ka, Tokyo, Japan.