

COMPANY REGISTRATION NUMBER 04897291

SPALDINGS HOLDINGS LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2015

THURSDAY



A4ILD38A

A24

22/10/2015

#220

COMPANIES HOUSE

SPALDINGS HOLDINGS LIMITED
REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

CONTENTS	PAGE
Officers and professional advisers	1
Strategic report	2
The directors' report	3
Directors' responsibilities statement	5
Independent auditor's report to the shareholders	6
Group profit and loss account	8
Group balance sheet	9
Balance sheet	10
Group cash flow statement	11
Notes to the financial statements	12

**SPALDINGS HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS**

The board of directors

D A Fox
Y Nishiyama
Y Ishii
H Shimada
F Kokado

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

Auditors

Ernst & Young LLP
1 Colmore Circus
Queensway
Birmingham
B4 6HQ

SPALDINGS HOLDINGS LIMITED STRATEGIC REPORT

YEAR ENDED 31 MARCH 2015

The directors present their strategic report for the year ended 31 March 2015.

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. Turnover, for the year was £25.7m (2014 - £26.7m), market and climatic conditions were challenging throughout the whole year with low commodity prices leading to falls in customer incomes and easy soil working conditions leading to low levels of demand for the core range of replacement parts. Overall turnover reduced by 6% against the corresponding year 2014. Gross profit was £11.6m (2014 - £12.6m), difficult market conditions led to additional price promotions being undertaken to stimulate demand, this, coupled with a variation to the norm in the product mix led to a slight fall in annual gross margin levels to 46.2% (2014 - 47.4%).

Marginal falls in both turnover and gross margin led to a very challenging year in terms of operating profit with full year outturn being £1.4m (2014 - £2.3m).

The profit for the year after taxation amounted to £1,085,000 (2014 - £1,722,000).

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 set out in note 25.

Signed by order of the directors

DA Fox
Director



Approved by the directors on 21 October 2015

SPALDINGS HOLDINGS LIMITED
THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

Registered No. 04897291

The Directors present their report for the year ended 31 March 2015.

DIVIDENDS

The company paid £861,000 of dividends during the year (year ending 31 March 2014 – £597,000).

DIRECTORS

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

DA Fox

Y Nishiyama

Y Ishii

H Shimada

F Kokado

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 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 2015

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 over a horizontal line.

J H Sorby
Company Secretary

Approved by the directors on 21 October 2015

SPALDINGS HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

YEAR ENDED 31 MARCH 2015

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 2015 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 2015 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

22 October 2015

SPALDINGS HOLDINGS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2015

		Year ended 31 March 2015	Year ended 31 March 2014
	<u>Note</u>	£000	£000
GROUP TURNOVER	2	25,071	26,676
Cost of sales		(13,481)	(14,036)
GROSS PROFIT		11,590	12,640
Distribution costs		(1,250)	(1,339)
Administrative expenses		(8,903)	(8,981)
OPERATING PROFIT	3	1,437	2,320
Interest payable and similar charges	6	2	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,439	2,319
Tax on profit on ordinary activities	7	(354)	(597)
PROFIT FOR THE FINANCIAL YEAR	22,23	1,085	1,722

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 28 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED

GROUP BALANCE SHEET

31 MARCH 2015

		2015	2014
	<u>Note</u>	£000	£000
FIXED ASSETS			
Intangible assets	10	1,319	1,471
Tangible fixed assets	11	1,563	1,528
		<hr/> 2,882	<hr/> 2,999
CURRENT ASSETS			
Stocks	13	4,127	3,783
Debtors	14	3,937	4,699
Cash at bank		4,774	1067
		<hr/> 12,838	<hr/> 9,549
CREDITORS:			
Amounts falling due within one year	16	7,129	4,181
NET CURRENT ASSETS		<hr/> 5,709	<hr/> 5,368
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 8,591	<hr/> 8,367
		<hr/> <hr/> 8,591	<hr/> <hr/> 8,367
EQUITY			
Called-up equity share capital	21	337	337
Share premium account	22	66	66
Profit and loss account	22	8,188	7,964
SHAREHOLDERS'(DEFICIT)/ FUNDS	23	<hr/> 8,591	<hr/> 8,367

These financial statements were approved by the directors and authorised for issue on 21 October 2015, and are signed on their behalf by:

D A FOX



The notes on pages 12 to 28 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED
PARENT COMPANY BALANCE SHEET
31 MARCH 2015

		2015	2014
	<u>Note</u>	£000	£000
FIXED ASSETS			
Property, plant & equipment	11	1,157	1,224
Investments	12	8,181	8,181
		<hr/> 9,338	<hr/> 9,405
CURRENT ASSETS			
Debtors	14	147	586
CREDITORS:	16	(9,618)	(8,887)
Amounts falling due within one year			
NET CURRENT LIABILITIES		(9,471)	(8,301)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> (133)	<hr/> 1,104
		<hr/> (133)	<hr/> 1,104
EQUITY			
Called-up equity share capital	21	337	337
Share premium account	22	66	66
Profit and loss account	22	(536)	701
SHAREHOLDERS'(DEFICIT)/ FUNDS		<hr/> (133)	<hr/> 1,104

These financial statements were approved by the directors and authorised for issue on 21 October 2015, and are signed on their behalf by:


D A FOX

Company Registration Number: 04897291

The notes on pages 12 to 28 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2015

		2015	2014
	<u>Note</u>	£000	£000
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	1,233	2,156
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	2	(1)
TAXATION	24	(354)	(663)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	24	(299)	(241)
EQUITY DIVIDENDS PAID		(861)	(597)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		(279)	654
FINANCING	24	–	(27)
(DECREASE)/INCREASE IN CASH	24	(279)	627

The notes on pages 12 to 28 form part of these financial statements.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

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 2015.

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 2015

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 2015

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:

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
United Kingdom	23,830	25,519
Overseas	1,241	1,157
	<u>25,071</u>	<u>26,676</u>

3. OPERATING PROFIT

Operating profit is stated after charging

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Amortisation of intangible assets (note 10)	152	152
Depreciation of owned fixed assets (note 11)	260	273
Depreciation of assets held under hire purchase agreements (note 11)	-	34
Loss on disposal of fixed assets	2	1
Auditor's remuneration		
- as auditor	36	31
Operating lease costs:		
- Plant and equipment	534	528
- Land and Buildings	145	54
Net loss on foreign currency translation	<u>38</u>	<u>3</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

4. PARTICULARS OF EMPLOYEES

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

	Year ended 31 March 2015	Year ended 31 March 2014
	No.	No.
Number of administrative staff	54	53
Number of management staff	2	2
Number of sales staff	91	79
Number of stores staff	25	25
	<u>172</u>	<u>159</u>

The aggregate payroll costs of the above were:

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Wages and salaries	5,023	5,265
Social security costs	512	543
Other pension costs	158	142
	<u>5,693</u>	<u>5,950</u>

5. DIRECTORS' REMUNERATION

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Aggregate remuneration in respect of qualifying services	<u>203</u>	<u>195</u>
Aggregate amounts receivable under long term incentive plans	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
	Year ended 31 March 2015	Year ended 31 March 2014
Number of directors who received shares in respect of quality services	<u>0</u>	<u>0</u>
Number of directors who exercised share options	<u>0</u>	<u>0</u>
Number of directors accruing benefits under defined benefit schemes	<u>1</u>	<u>1</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

5. DIRECTORS' REMUNERATION continued...

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
In respect of highest paid director:		
Aggregate remuneration	188	180
Accrued pension at the end of the year	15	15
Accrued lump sum at the end of the year	0	0

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Finance charges	–	(1)
Interest payable on other loans	2	–
	<u>2</u>	<u>(1)</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 21% (Year ended 31 March 2014 – 23%)	353	611
Over provision in prior year	(17)	(20)
Total current tax	<u>336</u>	<u>591</u>
Deferred tax:		
Origination and reversal of timing differences	18	6
Tax on profit on ordinary activities	<u>354</u>	<u>597</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

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 21% (year ended to 31 March 2014 – 23%).

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Profit on ordinary activities before taxation	<u>1,439</u>	<u>2,319</u>
Profit on ordinary activities by rate of tax	302	532
Expenses not deductible for tax	36	44
Capital allowances in excess of depreciation	13	26
Other timing differences	2	9
Adjustments for previous years	<u>(17)</u>	<u>(20)</u>
Total current tax (note 7(a))	<u>336</u>	<u>591</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 £378,000 (year ended 31 March 2014 - £379,000).

9. DIVIDENDS

Equity dividends

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Paid		
Equity dividends on ordinary shares	<u>861</u>	<u>597</u>

This dividend was unlawful as there were insufficient distributable reserves at the time the dividend was paid. This has been resolved by the payment of a dividend by Spaldings Limited to Spaldings Holdings Limited of £2,000,000 subsequent to year end.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £000
COST	
At 31 March 2014 and 31 March 2015	<u>3,074</u>
AMORTISATION	
At 31 March 2014	1,603
Charge for the year	152
At 31 March 2015	<u>1,755</u>
NET BOOK VALUE	
At 31 March 2015	<u>1,319</u>
At 31 March 2014	<u>1,471</u>

11. TANGIBLE FIXED ASSETS

Group	Freehold property £000	Plant & equipment £000	Total £000
COST			
At 1 April 2014	1,881	3,004	4,885
Additions	–	297	297
Disposals	–	(52)	(52)
At 31 March 2015	<u>1,881</u>	<u>3,249</u>	<u>5,130</u>
DEPRECIATION			
At 1 April 2014	769	2,588	3,357
Charge for the year	67	193	260
On disposals	–	(50)	(50)
At 31 March 2015	<u>836</u>	<u>2,731</u>	<u>3,567</u>
NET BOOK VALUE			
At 31 March 2015	<u>1,045</u>	<u>518</u>	<u>1,563</u>
At 1 April 2014	<u>1,112</u>	<u>416</u>	<u>1,528</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

11. TANGIBLE FIXED ASSETS *(continued)*

Freehold land and buildings shown above include non-depreciable assets at a gross value of £75,000 (2014 - £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 (year ended 31 March 2014 - £0). The depreciation charged to the financial statements in the year in respect of such assets amounted to £0 (year ended 31 March 2014 - £34,000).

12. INVESTMENTS

Company

	£000
COST	
At 31 March 2014 and 31 March 2015	8,181

NET BOOK VALUE

At 31 March 2015	8,181
------------------	--------------

Subsidiary undertakings	Country of Incorporation	Class of share	Proportion of voting rights 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

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Finished goods and goods for resale	4,127	3,783

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

14. DEBTORS

Group

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Trade debtors	3,368	3,672
Amounts owed by group undertakings	—	500
Corporation tax	24	—
Deferred taxation (Note 15)	78	96
Prepayments and accrued income	467	431
	<u>3,937</u>	<u>4,699</u>

Company

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Trade debtors	—	—
Amounts owed by group undertakings	—	500
Corporation tax	83	86
Deferred taxation (Note 15)	—	—
Prepayments and accrued income	64	—
	<u>147</u>	<u>586</u>

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

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

15. DEFERRED TAXATION

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

Group

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Asset brought forward	96	102
(Decrease) in asset	(18)	(6)
Asset carried forward	<u>78</u>	<u>96</u>

Company

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Asset brought forward	(4)	(5)
Increase in asset	—	1
(Provision) carried forward	<u>(4)</u>	<u>(4)</u>

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

Group

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Excess of depreciation over taxation allowances	<u>78</u>	<u>96</u>
	<u>78</u>	<u>96</u>

Company

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Excess of depreciation over taxation allowances	<u>(4)</u>	<u>(4)</u>
	<u>(4)</u>	<u>(4)</u>

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

16. CREDITORS: Amounts falling due within one year

Group

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Bank loans and overdrafts	(3,986)	–
Trade creditors	(2,572)	(3,312)
Other creditors including taxation and social security:		
Corporation tax	–	(176)
Other taxation and social security	(407)	(482)
Other creditors	(31)	(27)
Accruals and deferred income	(133)	(184)
	<u>(7,129)</u>	<u>(4,181)</u>

Company

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Bank loans and overdrafts	(3,986)	(3,984)
Amounts owed to group undertakings	(5,626)	(4,897)
Other creditors including taxation and social security:		
Other taxation and social security	(2)	(2)
Deferred tax	(4)	(4)
	<u>(9,618)</u>	<u>(8,887)</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. PENSIONS

The company operates a defined contribution scheme. The pension charge in the period was £158,000 (year ended 31 March 2014 - £142,000) and there were outstanding contributions of £14,000 (year ended 31 March 2014 - £11,000) at the end of the year.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Year ended 31 March 2015	Year ended 31 March 2014
	Land and buildings	
	£000	£000
Operating leases which expire:		
Within 1 year	—	—
Within 2 to 5 years	<u>660</u>	<u>668</u>
	<u>660</u>	<u>668</u>
	Year ended 31 March 2015	Year ended 31 March 2014
	Other items	
	£000	£000
Operating leases which expire:		
Within 1 year	315	99
Within 2 to 5 years	<u>286</u>	<u>478</u>
	<u>601</u>	<u>577</u>

19. RELATED PARTY TRANSACTIONS

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

During the period Spaldings Holdings Limited loaned Marubeni Agro Machinery Limited £500,000. £2,582 of interest was charged during the period. The loan was repaid before year end.

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

Marubeni Agro Machinery Holdings Limited charged Spaldings Limited £112,000 during the period for the surrender of its 2014 tax losses in the form of group relief. None of this balance was outstanding at the period end.

Spaldings Limited recharged services totalling £14,881 (2014: £9,429) to Marubeni Agro Machinery during the period. At the period end date a balance of £2,372 (2014: £596) was outstanding.

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

20. SHARE CAPITAL

Allotted, called up and fully paid:

	2015	
	No.	£000
336,587 Ordinary shares	336,587	337
	2014	
	No.	£000
336,587 Ordinary shares	336,587	337

21. RESERVES

Group	Share premium	Profit and loss account
	£000	£000
At 1 April 2014	66	7,964
Profit for the year	—	1,085
Dividends paid	—	(861)
At 31 March 2015	66	8,188
Company	Share premium	Profit and loss account
	£000	£000
At 1 April 2014	66	701
Loss for the year	—	(376)
Dividends received	—	—
Dividends paid	—	(861)
At 31 March 2015	66	(536)

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Profit for the financial period	1,085	1,722
Called-up equity share capital/ share premium	—	—
Net addition to shareholders' funds	1,085	1,722
Opening shareholders' funds	8,367	7,242
Dividends	(861)	(597)
Closing shareholders' (deficit)/funds	8,591	8,367

Company	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Loss for the financial period	(376)	(379)
Called-up equity share capital/ share premium	—	—
Dividends	(861)	(597)
Net addition to shareholders' funds	(1,237)	(976)
Opening shareholders' funds	1,104	2,080
Closing shareholders' funds	(133)	1,104

23. NOTES TO THE STATEMENT OF CASH FLOW

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Operating profit	1,439	2,320
Amortisation	152	152
Depreciation	260	307
Loss on disposal of fixed assets	2	1
(Increase) in stocks	(344)	(141)
Decrease/(Increase) in debtors	762	(331)
Increase/(Decrease) in creditors	(1,038)	(152)
Net cash inflow from operating activities	1,233	2,156

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

23. NOTES TO THE STATEMENT OF CASH FLOW (*continued*)

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Interest paid	2	(1)
Net cash outflow from returns on investments and servicing of finance	2	(1)

TAXATION

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Taxation	(354)	(663)

CAPITAL EXPENDITURE

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Payments to acquire tangible fixed assets	(297)	(241)
Receipts from sale of fixed assets	(2)	-
Net cash outflow from capital expenditure	(299)	(241)

FINANCING

	Year ended 31 March 2015	Year ended 31 March 2014
	£000	£000
Capital element of hire purchase	-	(27)
Net cash outflow from financing	-	(27)

23. NOTES TO THE STATEMENT OF CASH FLOW (*continued*)

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015	2014
	£000	£000
Increase / (Decrease) in cash in the period	(279)	627
Cash outflow in respect of hire purchase	–	27
Movement in net debt in the period	<u>(279)</u>	<u>654</u>
Net debt at beginning of period	<u>1,067</u>	<u>413</u>
Net debt at end of period	<u>788</u>	<u>1,067</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2014 £000	Cash flows £000	Other changes £000	At 31 March 2015 £000
Net cash:				
Cash in hand and at bank	5,051	(277)	–	4,774
Overdrafts	(3,984)	(2)	–	(3,986)
	<u>1,067</u>	<u>(279)</u>	<u>–</u>	<u>788</u>
Debt:				
Hire purchase agreements	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net debt	<u>1,067</u>	<u>(279)</u>	<u>–</u>	<u>788</u>

24. 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:

	Year ended 31 March 2015 £000
Foreign forward currency contracts	<u>338</u>

25. ULTIMATE PARENT COMPANY

SPALDINGS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015

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.