

**CHARLES J MARSHALL
(ABERDEEN) LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2012

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CHARLES J MARSHALL (ABERDEEN) LIMITED



COMPANY INFORMATION

DIRECTORS

C J Marshall
Mrs M C Marshall
C R Marshall
K D Marshall

COMPANY SECRETARY

Mrs M C Marshall

REGISTERED NUMBER

SC064659

REGISTERED OFFICE

Chapel Works
Bucksburn
Aberdeen
AB21 9TL

INDEPENDENT AUDITORS

Anderson Anderson & Brown LLP
Chartered Accountants & Registered Auditors
9 Queens Road
Aberdeen
AB15 4YL

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

The directors present their report and the financial statements for the year ended 30 November 2012.

PRINCIPAL ACTIVITIES

The company's principal activity during the year continued to be the manufacture of agricultural machinery.

BUSINESS REVIEW

The directors are satisfied with the results for the year and are optimistic regarding future trading conditions.

RESULTS

The profit for the year, after taxation, amounted to £21,689 (2011 - £628,249).

DIRECTORS

The directors who served during the year were:

C J Marshall
Mrs M C Marshall
C R Marshall
K D Marshall

PRINCIPAL RISKS AND UNCERTAINTIES

Liquidity Risk

The company has considerable financial resources and a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

KEY FINANCIAL PERFORMANCE INDICATORS

The directors consider turnover and gross profit to be the key performance indicators and these measures are continually monitored.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

CHARLES J MARSHALL (ABERDEEN) LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

This report was approved by the board and signed on its behalf.



C R Marshall
Director

Date: 6 August 2013

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

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 judgments 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;
- 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CHARLES J MARSHALL (ABERDEEN) LIMITED**

We have audited the financial statements of Charles J Marshall (Aberdeen) Limited for the year ended 30 November 2012, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, 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. 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 November 2012 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.

CHARLES J MARSHALL (ABERDEEN) LIMITED



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CHARLES J MARSHALL (ABERDEEN) LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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.

Anderson Anderson & Brown LLP

Ishbel Sutherland (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Chartered Accountants

Registered Auditors

9 Queens Road

Aberdeen

AB15 4YL

Date: 6/8/13

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	6,270,995	6,871,768
Cost of sales		(4,387,466)	(4,584,051)
GROSS PROFIT		1,883,529	2,287,717
Administrative expenses		(1,975,078)	(1,475,602)
OPERATING (LOSS)/PROFIT	3	(91,549)	812,115
Interest receivable and similar income		125,224	44,257
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,675	856,372
Tax on profit on ordinary activities	6	(11,986)	(228,123)
PROFIT FOR THE FINANCIAL YEAR	14	21,689	628,249

All amounts relate to continuing operations.

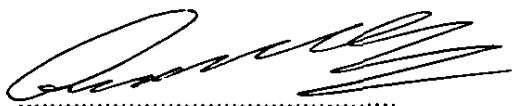
There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account.

The notes on pages 9 to 18 form part of these financial statements.

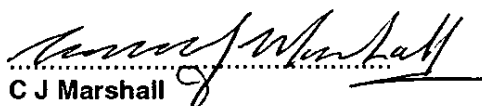
**BALANCE SHEET
AS AT 30 NOVEMBER 2012**

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	7		488,293		558,727
Investments	8		1,000,000		1,000,000
			<u>1,488,293</u>		<u>1,558,727</u>
CURRENT ASSETS					
Stocks	9	2,130,702		2,242,812	
Debtors	10	1,423,304		1,828,975	
Cash at bank and in hand		6,934,401		6,040,408	
		<u>10,488,407</u>		<u>10,112,195</u>	
CREDITORS: amounts falling due within one year	11	(1,325,202)		(1,028,613)	
NET CURRENT ASSETS			<u>9,163,205</u>		<u>9,083,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,651,498</u>		<u>10,642,309</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	12		(10,500)		(23,000)
NET ASSETS			<u><u>10,640,998</u></u>		<u><u>10,619,309</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		90,000		90,000
Capital redemption reserve	14		10,000		10,000
Profit and loss account	14		10,540,998		10,519,309
SHAREHOLDERS' FUNDS	15		<u><u>10,640,998</u></u>		<u><u>10,619,309</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C R Marshall
Director



C J Marshall
Director

Date: 6 August 2013

The notes on pages 9 to 18 form part of these financial statements.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	16	1,115,321	53,562
Returns on investments and servicing of finance	17	125,224	44,257
Taxation	17	(235,367)	(198,537)
Capital expenditure and financial investment	17	(111,185)	(75,420)
INCREASE/(DECREASE) IN CASH IN THE YEAR		893,993	(176,138)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 NOVEMBER 2012**

	2012 £	2011 £
Increase/(Decrease) in cash in the year	893,993	(176,138)
MOVEMENT IN NET DEBT IN THE YEAR	893,993	(176,138)
Net funds at 1 December 2011	6,040,408	6,216,546
NET FUNDS AT 30 NOVEMBER 2012	6,934,401	6,040,408

The notes on pages 9 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	over 20 years
S/Term Leasehold Property	-	0
Plant & equipment	-	3 - 7 years
Motor vehicles	-	4 years
Tenants' improvements	-	over remaining period of lease

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

Geographical analysis of turnover has not been stated since in the directors opinion it would be seriously prejudicial to do so.

3. OPERATING (LOSS)/PROFIT

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

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the company	195,619	192,631
Auditors' remuneration	10,000	8,500
Operating lease rentals:		
- land and buildings	300,000	300,000
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2012 £	2011 £
Wages and salaries	1,649,943	1,382,854
Social security costs	184,657	142,932
Other pension costs	8,695	9,500
	<u>1,843,295</u>	<u>1,535,286</u>

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

	2012 No.	2011 No.
Management	4	4
Administration and sales	4	6
Operations	42	46
	<u>50</u>	<u>56</u>

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments (including benefits in kind)	<u>415,009</u>	<u>86,049</u>

The highest paid director received remuneration of £393,615 (2011 - £71,824).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

6. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	24,486	235,367
Adjustments in respect of prior periods	-	(244)
Total current tax	<u>24,486</u>	<u>235,123</u>
Deferred tax (see note 12)		
Origination and reversal of timing differences	(12,500)	(7,000)
Tax on profit on ordinary activities	<u>11,986</u>	<u>228,123</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 20% (2011 - 26.66%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	<u>33,675</u>	<u>856,372</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 26.66%)	6,735	228,335
Effects of:		
Expenses not deductible for tax purposes	9,428	10,766
Depreciation for year in excess of capital allowances	7,801	4,960
Expenses not deductible for tax purposes - fixed assets	522	529
Marginal relief	-	(9,223)
Adjustments to tax charge in respect of prior periods	-	(244)
Current tax charge for the year (see note above)	<u>24,486</u>	<u>235,123</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**
7. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost					
At 1 December 2011	38,274	748,271	1,578,038	824,857	3,189,440
Additions	-	-	58,537	66,648	125,185
Disposals	-	-	-	(43,750)	(43,750)
At 30 November 2012	38,274	748,271	1,636,575	847,755	3,270,875
Depreciation					
At 1 December 2011	26,074	703,500	1,182,775	718,364	2,630,713
Charge for the year	-	4,000	119,427	72,192	195,619
On disposals	-	-	-	(43,750)	(43,750)
At 30 November 2012	26,074	707,500	1,302,202	746,806	2,782,582
Net book value					
At 30 November 2012	12,200	40,771	334,373	100,949	488,293
At 30 November 2011	12,200	44,771	395,263	106,493	558,727

Included in freehold property is land at a cost of £12,200 (2011 - £12,200) which is not depreciated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**

8. FIXED ASSET INVESTMENTS

	Other fixed asset investments £
Cost or valuation	
At 1 December 2011 and 30 November 2012	1,000,000
Net book value	
At 30 November 2012	1,000,000
At 30 November 2011	1,000,000

Investments relate to amounts held in offshore bond policies.

The latest "Summary of Unit Holdings" shows the value of the bond policies as at 13 February 2013 to be £1,481,182. This is not a surrender value for these policies.

9. STOCKS

	2012 £	2011 £
Raw materials	1,597,607	1,694,672
Work in progress	77,608	89,942
Finished goods and goods for resale	454,987	457,698
Fuel	500	500
	<u>2,130,702</u>	<u>2,242,812</u>

10. DEBTORS

	2012 £	2011 £
Trade debtors	1,266,225	1,646,281
Amounts due from related parties	9,784	-
Other debtors	130,000	167,000
Prepayments and accrued income	17,295	15,694
	<u>1,423,304</u>	<u>1,828,975</u>

Other debtors includes loans totalling £118,014 (2011 - £155,492) repayable in more than one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012

11. CREDITORS:
Amounts falling due within one year

	2012 £	2011 £
Trade creditors	210,126	102,614
Corporation tax	24,486	235,367
Social security and other taxes	110,864	116,063
Director's loan	233,479	233,479
Accruals and deferred income	746,247	341,090
	<u>1,325,202</u>	<u>1,028,613</u>

12. DEFERRED TAXATION

	2012 £	2011 £
At beginning of year	23,000	30,000
Released during year	(12,500)	(7,000)
	<u>10,500</u>	<u>23,000</u>
At end of year	<u>10,500</u>	<u>23,000</u>

The provision for deferred taxation is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	23,000	30,000
Timing differences	(12,500)	(7,000)
	<u>10,500</u>	<u>23,000</u>

13. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
90,000 Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012

14. RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 December 2011	10,000	10,519,309
Profit for the year	-	21,689
	<u>10,000</u>	<u>10,540,998</u>
At 30 November 2012	<u>10,000</u>	<u>10,540,998</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	10,619,309	9,991,060
Profit for the year	21,689	628,249
	<u>10,640,998</u>	<u>10,619,309</u>
Closing shareholders' funds	<u>10,640,998</u>	<u>10,619,309</u>

16. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating (loss)/profit	(91,549)	812,115
Depreciation of tangible fixed assets	195,619	192,631
Gain on sale of fixed assets	(14,000)	-
Other income	-	844
Decrease/(increase) in stocks	112,110	(354,305)
Decrease/(increase) in debtors	405,671	(504,389)
Increase/(decrease) in creditors	507,470	(93,334)
	<u>1,115,321</u>	<u>53,562</u>
Net cash inflow from operating activities	<u>1,115,321</u>	<u>53,562</u>

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	<u>125,224</u>	<u>44,257</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012**
17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2012 £	2011 £
Taxation		
Corporation tax paid	(235,367)	(198,537)
	<u>2012</u> £	<u>2011</u> £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(125,185)	(75,420)
Sale of tangible fixed assets	14,000	-
Net cash outflow from capital expenditure	<u>(111,185)</u>	<u>(75,420)</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	1 December 2011 £	Cash flow £	Other non-cash changes £	30 November 2012 £
Cash at bank and in hand	6,040,408	893,993	-	6,934,401
Net funds	<u>6,040,408</u>	<u>893,993</u>	<u>-</u>	<u>6,934,401</u>

19. OPERATING LEASE COMMITMENTS

At 30 November 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2012 £	2011 £
Expiry date:		
Between 2 and 5 years	<u>300,000</u>	<u>300,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012

20. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the directors, C J Marshall, Mrs M C Marshall, C R Marshall and K D Marshall.

Transactions

During the year the company had the following transactions with related parties:

Related party	Transaction	£	Balance due from/(to) at year end £
Marshall Farms, a partnership in which the directors are partners	Management charges Recharged expenses	(2,420) (35,965)	- 1,512
Marshall Leisure, a company in which there are common directors	Recharged expenses	(9,780)	8,272
Charles R Marshall, director	Loan Rent	- 150,000	(233,479)
Kenneth D Marshall, director	Rent	150,000	-

The directors loan balance does not have set repayment terms and no interest is payable thereon. The maximum amount outstanding during the year was £233,479.