Company Registration No. 1344421

STOCKS AG LIMITED

Report and Financial Statements

31 October 2012



STOCKS AG LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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STOCKS AG LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A Ruston
N J Ruston
R Parker
D Cooper
T J Walls

SECRETARY

M J Seymour

REGISTERED OFFICE

Cromwell Road
Wisbech
PE14 0SD

BANKERS

Barclays Bank plc
Church Street
Peterborough
Cambs
PE1 1EX

SOLICITORS

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 4DP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 October 2012

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

ACTIVITIES

The company is principally an agricultural machinery manufacturer

BUSINESS REVIEW

The company has again had another successful year, which resulted in a sales increase of 7% This has again been driven by increased UK sales of applicator products They are now accounting for around 50% (2011 - 40%) of company sales turnover which helped maintain profitability Wheel sales were relatively stable throughout the year despite the weather conditions There were also a number of export customers who had reduced order requirements due to in country competition

A good profit was generated which again is linked to the increase in applicator sales, but net margin before tax has seen a minor decrease to 17% from 18% This has been lead primarily by the exchange rate impact on export sales and increased competition for applicators in the UK market Considerable thanks are again due to all staff who have made this possible by their hard work and dedication to our customers' needs

DIVIDENDS

The company paid a dividend of £500,000 in the year (2011 - £2,300,000)

DIRECTORS

The directors who served throughout the year and subsequent to the year end are shown on page 1

AUDITOR

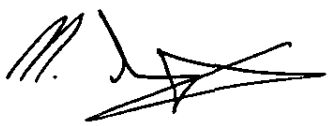
Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



M J Seymour

Secretary

21 March 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 AUDITOR'S REPORT TO THE MEMBERS OF STOCKS AG LIMITED

We have audited the financial statements of Stocks AG Limited for the year ended 31 October 2012 which comprise the profit and loss account, the statement of movement on reserves, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 15 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 31 October 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOCKS AG 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, 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

William Crane (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom
22 March 2017

PROFIT AND LOSS ACCOUNT
Year ended 31 October 2012

	Note	£	2012 £	£	2011 £
TURNOVER	2		4,525,111		4,223,750
Change of stocks of finished goods			(25,456)		(107,243)
			4,499,655		4,116,507
Other operating income			90,185		69,251
			4,589,840		4,185,758
Raw materials and consumables			(2,495,810)		(2,249,564)
			2,094,030		1,936,194
Staff costs	3	876,232		797,217	
Depreciation		37,480		32,297	
Other operating charges		407,886		375,232	
			(1,321,598)		(1,204,746)
Group recharges - interest receivable			2,455		11,698
OPERATING PROFIT, BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		774,887		743,146
Tax on profit on ordinary activities	5		(84,346)		(127,758)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			690,541		615,388

All activities are derived from continuing operations

There are no other recognised gains and losses other than as stated in the profit and loss account

STATEMENT OF MOVEMENT ON RESERVES
Year ended 31 October 2012

	Share premium account £	Profit and loss account £
Balance at 1 November 2011	183,697	1,592,677
Profit for the year	-	690,541
Dividend paid in the year (note 6)	-	(500,000)
Balance at 31 October 2012	183,697	1,783,218

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year ended 31 October 2012

	2012 £	2011 £
Opening shareholders' funds at 1 November	1,889,859	3,574,471
Profit for the year	690,541	615,388
Dividend paid in the year (note 6)	(500,000)	(2,300,000)
Closing shareholders' funds at 31 October	2,080,400	1,889,859

BALANCE SHEET
31 October 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	692,612	671,945
CURRENT ASSETS			
Stocks	8	972,722	892,726
Debtors	9	1,236,693	957,854
Cash at bank and in hand		29,167	7,564
		2,238,582	1,858,144
CREDITORS: amounts falling due within one year	10	848,378	633,892
NET CURRENT ASSETS		1,390,204	1,224,252
TOTAL ASSETS LESS CURRENT LIABILITIES		2,082,816	1,896,197
PROVISIONS FOR LIABILITIES AND CHARGES	11	(2,416)	(6,338)
NET ASSETS		2,080,400	1,889,859
CAPITAL AND RESERVES			
Called up share capital	12	113,485	113,485
Share premium account		183,697	183,697
Profit and loss account		1,783,218	1,592,677
SHAREHOLDERS' FUNDS		2,080,400	1,889,859

The financial statements of Stocks AG Limited, registered number 1344421, were approved by the Board of Directors and authorised for issue on 21 March 2013.

Signed on behalf of the Board of Directors

T J Walls
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2012

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted are described below They have all been applied consistently throughout the year and preceding year

Going concern

The future development, performance and position of Stocks AG Limited are affected by the prosperity within the European agricultural market, the increase in their input prices such as steel and fuel, and exchange rate fluctuations The business has few borrowings and at the year end is not utilising its overdraft facility

The businesses financial resources, together with its immediate parent, have considerable liquid financial resource Coupled with a customer market which spans different geographical locations the business is well placed to manage its business risks successfully despite the current uncertain economic outlook

Basis of accounting

The financial statements are prepared under the historical cost convention

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No 1 (revised) on the basis that a consolidated cash flow statement is shown in the accounts of the ultimate parent company

Tangible fixed assets

No depreciation is provided on freehold land Other fixed assets are depreciated so as to write off their cost over their estimated useful lives as follows

Freehold buildings	2% on cost
Motor vehicles	20% on written down value
Fixtures & fittings	
General items	15% or 20% on written down value
Short life items	20% or 25% on cost
Plant and machinery	
General items	15% on written down value
Short life items	20% on cost
Small tools	15% on cost

Stocks

Stocks of materials are stated at the lower of average cost and net realisable value

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on all timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2012

1. ACCOUNTING POLICIES (continued)

Pension costs

The company operates several defined contribution schemes open to selected full time employees

The pension costs represent the amount of contributions payable to the pension schemes which are held in separate trustee administered funds, in respect of the accounting period

Foreign currencies

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

2 TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's principal activities after deduction of value added tax

	2012 £	2011 £
The geographical analysis of turnover is		
United Kingdom	3,451,043	3,192,011
Europe	442,611	572,722
Other	631,457	459,017
	4,525,111	4,223,750

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £	2011 £
Directors' emoluments		
Management remuneration (including profit sharing arrangements and taxable benefits)	183,751	175,871
Money purchase pension contributions	5,813	5,601
Group personal pension contributions	5,813	5,601
	195,377	187,073
	No	**No**
Number of directors who are members of money purchase pension schemes	1	1
Number of directors who are members of group purchase pension schemes	1	1
Average number of persons employed		
Production	17	18
Sales and distribution	6	5
Administration	4	3
	27	26

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2012

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2012 £	2011 £
Staff costs during the year (including directors)		
Wages and salaries	773,679	709,266
Social security costs	77,751	63,498
Pension costs	24,802	24,453
	876,232	797,217

4 OPERATING PROFIT

	2012 £	2011 £
Operating profit is after charging .		
The analysis of auditor's remuneration is as follows		
Auditor's remuneration	6,000	4,500
The analysis of other services is as follows		
Tax services	2,450	2,350

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
Current taxation		
United Kingdom corporation at 24 8% (2011 - 26 8%) being total current tax charge	88,268	134,806
Adjustment in respect of prior year	-	(2,447)
	88,268	132,359
Deferred taxation		
Origination and reversal of timing differences	(3,922)	(4,601)
	84,346	127,758

The tax assessed for the year differs to the amount resulting from applying the standard rate of corporation tax in the UK 24 8% (2011 - 26 8%) The differences are explained below

	2012 %	2011 %
Standard rate of tax for year as a percentage of profit	24 8	26 8
Effect of		
Income not taxable	-	(0 1)
Depreciation in deficit of capital allowances	0 4	0 5
Adjustment to tax charge in respect of prior periods	-	(0 3)
Utilisation of group relief	(13 8)	(9 2)
Movement in timing difference	0 1	-
Effect of other tax rates	(0 2)	-
Current tax rate for year as a percentage of profit	11 3	17 7

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2012

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013 These rate reductions became substantively enacted in March 2012 and July 2012 respectively

In December 2012, the UK Government also proposed to further reduce the standard rate of UK corporation tax to 21% effective 1 April 2014, but this change has not been substantively enacted

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted

6. DIVIDENDS

	2012 £	2011 £
A final dividend for the year was paid of £4 41 per ordinary share (2011 - £20 27)	500,000	2,300,000

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings, tools and equipment £	Total £
Cost					
At 1 November 2011	727,854	345,174	65,539	90,360	1,228,927
Additions	7,162	32,152	11,612	9,433	60,359
Disposals	-	(19,000)	(9,374)	-	(28,374)
At 31 October 2012	735,016	358,326	67,777	99,793	1,260,912
Accumulated depreciation					
At 1 November 2011	157,501	284,409	35,483	79,589	556,982
Charge for the year	11,328	13,957	8,176	4,019	37,480
Disposals	-	(17,727)	(8,435)	-	(26,162)
At 31 October 2012	168,829	280,639	35,224	83,608	568,300
Net book value					
At 31 October 2012	566,187	77,687	32,553	16,185	692,612
At 31 October 2011	570,353	60,765	30,056	10,771	671,945

The value of the land which is not depreciated is £168,612 (2011 - £168,612)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2012

8. STOCKS

	2012 £	2011 £
Raw materials and consumables	848,511	793,971
Finished goods	124,211	98,755
	972,722	892,726

There is no material difference between the balance sheet value of stocks and their replacement cost

9. DEBTORS

	2012 £	2011 £
Amounts falling due within one year		
Trade debtors	640,770	418,116
Amounts owed by parent company	564,704	509,097
Amounts owed by fellow subsidiary	434	434
Prepayments and accrued income	30,785	30,207
	1,236,693	957,854

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	492,690	302,954
Corporation tax	88,268	128,713
Other taxes and social security	179,364	115,713
Accruals and deferred income	88,056	86,512
	848,378	633,892

The business has capacity for a bank overdraft which is secured by a legal charge over the company's freehold land and buildings and an unlimited debenture dated 2 April 2004

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2012 £	2011 £
Deferred taxation		
Balance at 1 November 2011	6,338	10,939
Charge (credit) for the year	(3,922)	(4,601)
Balance at 31 October 2012	2,416	6,338

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2012

11 PROVISIONS FOR LIABILITIES AND CHARGES (continued)

The amounts of deferred taxation provided in the accounts and not provided are as follows

	Provided 2012 £	Provided 2011 £	Not provided 2012 £	Not provided 2011 £
Capital allowances in advance of depreciation	4,909	8,748	-	-
Short term timing differences	(2,493)	(2,410)	-	-
Capital losses carried forward	-	-	(8,599)	(9,721)
	2,416	6,338	(8,599)	(9,721)

The unprovided deferred tax asset will be utilised by offset against future capital gains

12. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Called up, allotted and fully paid		
113,485 ordinary shares of £1 each	113,485	113,485

13. CONTINGENT LIABILITIES

There is a contingent liability in respect of a cross guarantee given to Barclays Bank Plc regarding bank borrowing of RECO Property Limited, an entity under common control, amounting to £733,800 (2011 - £743,366) at the balance sheet date

14 RELATED PARTY TRANSACTIONS

In the ordinary course of business the company has traded with its immediate parent company Ruston's Engineering Company Limited and other group companies The company is exempt from disclosing details of these transactions because copies of the ultimate parent company's group financial statements are publicy available

15. ULTIMATE PARENT COMPANY

The immediate controlling party of Stocks AG Limited is Ruston's Engineering Company Limited, a company incorporated in England and Wales The ultimate parent company is RECO Trading Limited

The company does not have an ultimate controlling party

Copies of the group accounts of RECO Trading Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ