

C & O HOLDINGS LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

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FOR THE YEAR ENDED 31 MARCH 2017**

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C & O HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017**

DIRECTOR: A G Coles

REGISTERED OFFICE: Blandford Heights
Blandford
Dorset
DT11 7TF

REGISTERED NUMBER: 06339657 (England and Wales)

SENIOR STATUTORY AUDITOR: David Brookes FCA

AUDITORS: Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

BANKERS: HSBC Bank plc
165 High Street
Southampton
Hampshire
SO14 2NZ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The director presents his strategic report of the company and the group for the year ended 31 March 2017.

REVIEW OF BUSINESS

The directors present their strategic report of the company and the group for the year ending 31st March 2017.

The results for the group show a pre-tax profit of £20k (2016: £170k) for the year and sales of £30.2 million (2016: £32.3 million).

Strategy

The group's overriding objective is to achieve sustainable growth and increase the profitability of the group through:

- Offering a comprehensive and attractive product range of reliable machines
- Offering an excellent aftersales experience
- Improving efficiency and optimising the group's assets

Future Outlook

The commercial environment is expected to remain competitive in 2017 and 2018 but the uncertainty of the impact that Brexit will have on British markets is likely to introduce an element of conservatism around capital expenditure on high ticket items.

Having reviewed the group's current working relationships with suppliers a decision has been made to change our dealership from New Holland to Massey Ferguson with effect from 24th April 2017. This change will allow the group to work alongside a supportive main brand that wants its dealers to be successful, and can provide our customers with the after sales experience they demand.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks that could affect the group's ability to achieve its strategic goals are laid out below:

These risks are regularly reviewed by the board and processes put in place to monitor and mitigate them.

Competition

The marketplace that the group operates in is highly competitive, particularly around pricing. This adversely impacts margins making efficiency vital to producing profitable results. C&O Tractors has spent 20 years building up the New Holland business in the South of England and the dealers given this franchise will start off from a strong business position with a wide customer base who are loyal to the brand. This will create strong competition for us but the board are confident that customers loyal to C&O, and those who experience the Massey range of quality machines will remain with us through this change of strategic direction and will understand that the reason for the change is to ensure that they get the service and reliability they require to run their own businesses.

Staff

Some of the group's staff are dedicated to the New Holland brand and it is anticipated that we will lose a few long-standing members of staff when we switch manufacturers. A strategy will be implemented to mitigate as much of this risk as possible and retain key members of staff where feasible to do so.

Cashflow

There will inevitably be cost implications of switching brands and an initial downturn of sales is likely. Cash will be closely managed and stocks of used machinery and aged parts turned into cash to reduce the impact.

The group starts the new financial year with a feeling of positivity and the opportunity to progress and build upon the solid foundations of the existing business. The board feel strongly that Massey Ferguson are a business partner who will enable and encourage growth and will give the level of support required during this transition period and beyond.

Key performance indicators ("KPIs")

The main key performance indicators used by the group are turnover and gross margin percentage. In 2017 these KPIs were as follows:

Turnover - £30.2m (2016: £32.3m)

Gross margin percentage - 7.07% (2016: 6.32%)

ON BEHALF OF THE BOARD:



.....
A G Coles - Director

Date:11/11/2017.....

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 MARCH 2017**

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the buying, retailing and servicing of agricultural machinery and associated parts.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2017 will be £30,000.

DIRECTOR

A G Coles held office during the whole of the period from 1 April 2016 to the date of this report.

FIXED ASSETS

In the opinion of the director the book value of the freehold property shown in the balance sheet is lower than the market value at the balance sheet date by approximately £1m.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 period. In preparing these financial statements, the director is required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
A G Coles - Director

Date: 11/11/2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF C & O HOLDINGS LIMITED

We have audited the financial statements of C & O Holdings Limited for the year ended 31 March 2017 on pages seven to twenty six. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Director 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 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Director.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
C & O HOLDINGS 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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Hopper Williams & Bell Limited

David Brookes FCA (Senior Statutory Auditor)
for and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandler's Ford
Eastleigh
Hampshire
SO53 4AR

Date: *13 December 2012*

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
TURNOVER		30,223,194	32,304,910
Cost of sales		(28,086,847)	(30,263,668)
GROSS PROFIT		2,136,347	2,041,242
Distribution costs		(59,362)	(39,504)
Administrative expenses		(2,053,306)	(1,819,043)
		23,679	182,695
Other operating income		15,643	31,036
OPERATING PROFIT	4	39,322	213,731
Interest receivable and similar income		20,195	18,430
		59,517	232,161
Interest payable and similar expenses	5	(39,230)	(62,401)
PROFIT BEFORE TAXATION		20,287	169,760
Tax on profit	6	(12,302)	(40,469)
PROFIT FOR THE FINANCIAL YEAR		7,985	129,291
Profit attributable to: Owners of the parent		7,985	129,291

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

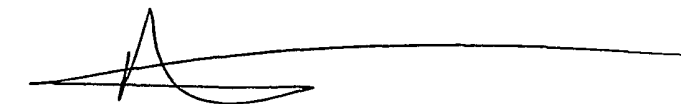
	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		7,985	129,291
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>7,985</u>	<u>129,291</u>
Total comprehensive income attributable to: Owners of the parent		<u>7,985</u>	<u>129,291</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	1,511,098	1,191,911
Investments	10	-	-
		<u>1,511,098</u>	<u>1,191,911</u>
CURRENT ASSETS			
Stocks	11	5,577,045	6,454,295
Debtors	12	8,428,919	8,766,130
Cash at bank and in hand		2,249	11,918
		<u>14,008,213</u>	<u>15,232,343</u>
CREDITORS			
Amounts falling due within one year	13	(12,298,483)	(13,039,911)
NET CURRENT ASSETS		<u>1,709,730</u>	<u>2,192,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,220,828</u>	<u>3,384,343</u>
CREDITORS			
Amounts falling due after more than one year	14	(511,013)	(644,562)
PROVISIONS FOR LIABILITIES	18	(57,302)	(65,253)
NET ASSETS		<u><u>2,652,513</u></u>	<u><u>2,674,528</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	270,000	270,000
Retained earnings	20	2,382,513	2,404,528
SHAREHOLDERS' FUNDS		<u><u>2,652,513</u></u>	<u><u>2,674,528</u></u>

The financial statements were approved by the director on 11/12/2017 and were signed by:



.....
A G Coles - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	9	773,153	790,725
Investments	10	270,000	270,000
		<u>1,043,153</u>	<u>1,060,725</u>
CREDITORS			
Amounts falling due within one year	13	(473,097)	(400,186)
NET CURRENT LIABILITIES		<u>(473,097)</u>	<u>(400,186)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		570,056	660,539
CREDITORS			
Amounts falling due after more than one year	14	(405,487)	(478,398)
NET ASSETS		<u>164,569</u>	<u>182,141</u>
CAPITAL AND RESERVES			
Called up share capital	19	270,000	270,000
Retained earnings	20	(105,431)	(87,859)
SHAREHOLDERS' FUNDS		<u>164,569</u>	<u>182,141</u>
Company's profit for the financial year		<u>12,429</u>	<u>12,429</u>

The financial statements were approved by the director on 11/04/2017 and were signed by:



.....
A G Coles - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2015	270,000	2,305,237	2,575,237
Changes in equity			
Dividends	-	(30,000)	(30,000)
Total comprehensive income	-	129,291	129,291
Balance at 31 March 2016	<u>270,000</u>	<u>2,404,528</u>	<u>2,674,528</u>
Changes in equity			
Dividends	-	(30,000)	(30,000)
Total comprehensive income	-	7,985	7,985
Balance at 31 March 2017	<u>270,000</u>	<u>2,382,513</u>	<u>2,652,513</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2015	270,000	(70,288)	199,712
Changes in equity			
Dividends	-	(30,000)	(30,000)
Total comprehensive income	-	12,429	12,429
Balance at 31 March 2016	270,000	(87,859)	182,141
Changes in equity			
Dividends	-	(30,000)	(30,000)
Total comprehensive income	-	12,429	12,429
Balance at 31 March 2017	<u>270,000</u>	<u>(105,430)</u>	<u>164,570</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	120,199	(229,373)
Interest paid		(32,267)	(54,943)
Interest element of hire purchase payments paid		(6,963)	(7,458)
Tax paid		(28,004)	(44,303)
Net cash from operating activities		<u>52,965</u>	<u>(336,077)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(203,836)	(60,097)
Sale of tangible fixed assets		50,482	15,135
Interest received		20,195	18,430
Net cash from investing activities		<u>(133,159)</u>	<u>(26,532)</u>
Cash flows from financing activities			
Loan repayments in year		(70,520)	(67,296)
Hire purchase repayments in year		(220,053)	(106,700)
Amount introduced by directors		30,000	30,000
Amount withdrawn by directors		(18,041)	(19,987)
Equity dividends paid		(30,000)	(30,000)
Net cash from financing activities		<u>(308,614)</u>	<u>(193,983)</u>
Decrease in cash and cash equivalents		<u>(388,808)</u>	<u>(556,592)</u>
Cash and cash equivalents at beginning of year	2	(327,128)	229,464
Cash and cash equivalents at end of year	2	<u>(715,936)</u>	<u>(327,128)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
Profit before taxation	20,287	169,760
Depreciation charges	177,714	195,430
Loss/(profit) on disposal of fixed assets	6,395	(8,562)
Finance costs	39,230	62,401
Finance income	(20,195)	(18,430)
	<u>223,431</u>	<u>400,599</u>
Decrease/(increase) in stocks	877,250	(2,215,688)
Decrease in trade and other debtors	337,211	272,323
(Decrease)/increase in trade and other creditors	(1,317,693)	1,313,393
	<u>120,199</u>	<u>(229,373)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	2,249	11,918
Bank overdrafts	(718,185)	(339,046)
	<u>(715,936)</u>	<u>(327,128)</u>

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	11,918	229,464
Bank overdrafts	(339,046)	-
	<u>(327,128)</u>	<u>229,464</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. STATUTORY INFORMATION

C & O Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the results of C & O Holdings Limited and all of its subsidiary undertakings as at the balance sheet date using the acquisition method of accounting from the date of acquisition.

Related party exemption

The group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax. Turnover is recognised when the goods are physically delivered to the customer.

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover is attributable to the one principal activity of the company and is generated principally from sales within the United Kingdom.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% Straight line
Short leasehold	- 10% Straight line
Plant and machinery	- 10% Straight line
Fixtures and fittings	- 6 years straight line
Motor vehicles	- 33% Reducing balance
Computer equipment	- 33% Straight line

No depreciation is provided on freehold land.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is measured on a first in first out basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017****2. ACCOUNTING POLICIES - continued****Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial assets

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other receivables and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities

Basic financial liabilities, which include trade and other payables, are initially measured at transaction price and subsequently measured at amortised cost, unless the arrangement constitutes a financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	2,106,871	2,080,662
Social security costs	203,587	191,828
Other pension costs	36,071	35,841
	<u>2,346,529</u>	<u>2,308,331</u>

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

	2017	2016
Production	70	70
Administrative	11	13
Directors	3	2
	<u>84</u>	<u>85</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 84.

	2017	2016
	£	£
Director's remuneration	217,207	94,000
Director's pension contributions to money purchase schemes	<u>11,540</u>	<u>7,913</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

3. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director for the year ended 31 March 2017 is as follows:

	2017	
	£	
Emoluments etc	88,862	
Pension contributions to money purchase schemes	<u>7,595</u>	

4. OPERATING PROFIT

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

	2017	2016
	£	£
Other operating leases	180,298	165,301
Depreciation - owned assets	123,552	125,966
Depreciation - assets on hire purchase contracts	54,163	69,466
Loss/(profit) on disposal of fixed assets	6,395	(8,265)
Auditors' remuneration	14,000	13,750
Auditors remuneration - non audit work	<u>4,890</u>	<u>3,600</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	12,506	10,850
Other interest	205	21,312
Loan interest	19,556	22,781
Hire purchase	<u>6,963</u>	<u>7,458</u>
	<u>39,230</u>	<u>62,401</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	20,253	28,004
Deferred tax	<u>(7,951)</u>	<u>12,465</u>
Tax on profit	<u>12,302</u>	<u>40,469</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>20,287</u>	<u>169,760</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	4,057	33,952
Effects of:		
Expenses not deductible for tax purposes	1,880	2,222
Adjustments to depreciation in respect of previous periods	5,086	-
Difference arising due to ongoing rate of deferred tax	4,295	4,295
Difference in tax rate between corporation tax and deferred tax	<u>(3,016)</u>	<u>-</u>
Total tax charge	<u>12,302</u>	<u>40,469</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2017 £	2016 £
Ordinary B shares of £1 each		
Interim	<u>30,000</u>	<u>30,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 April 2016	1,073,813	-	376,886
Additions	-	5,280	359,663
Disposals	-	-	(114,267)
At 31 March 2017	1,073,813	5,280	622,282
DEPRECIATION			
At 1 April 2016	302,608	-	248,657
Charge for year	21,476	-	32,681
Eliminated on disposal	-	-	(62,123)
At 31 March 2017	324,084	-	219,215
NET BOOK VALUE			
At 31 March 2017	749,729	5,280	403,067
At 31 March 2016	771,205	-	128,229

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2016	108,510	599,824	58,459	2,217,492
Additions	74,880	92,576	21,380	553,779
Disposals	-	(28,550)	-	(142,817)
At 31 March 2017	183,390	663,850	79,839	2,628,454
DEPRECIATION				
At 1 April 2016	68,107	378,934	27,275	1,025,581
Charge for year	16,381	89,586	17,591	177,715
Eliminated on disposal	-	(23,817)	-	(85,940)
At 31 March 2017	84,488	444,703	44,866	1,117,356
NET BOOK VALUE				
At 31 March 2017	98,902	219,147	34,973	1,511,098
At 31 March 2016	40,403	220,890	31,184	1,191,911

The net book value of tangible fixed assets includes £135,495 (2016: £142,034) in respect of assets held under hire purchases contracts. Depreciation charged on these assets during the year amounted to £54,163 (2016: £69,466).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

9. TANGIBLE FIXED ASSETS - continued

Company	Freehold property £
COST	
At 1 April 2016 and 31 March 2017	878,585
DEPRECIATION	
At 1 April 2016	87,860
Charge for year	17,572
At 31 March 2017	105,432
NET BOOK VALUE	
At 31 March 2017	773,153
At 31 March 2016	790,725

10. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 April 2016 and 31 March 2017	270,000
NET BOOK VALUE	
At 31 March 2017	270,000
At 31 March 2016	270,000

The company's investments in shares in group undertakings comprises 100% of the issued ordinary share capital of the following companies, all of which are registered in England & Wales:

C & O Tractors Limited
C & O Garden Machinery Limited
C & O Groundcare Limited
C & O Hire Limited
Vugot Limited

The principal activity of C & O Tractors Limited is the retail of agricultural machinery and parts. The other companies are dormant. All of the above companies are included within the consolidated accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

11. STOCKS

	Group	
	2017	2016
	£	£
Stocks	<u>5,577,045</u>	<u>6,454,295</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2017	2016
	£	£
Trade debtors	7,492,296	7,600,402
Other debtors	461,060	636,126
VAT	427,039	309,922
Prepayments and accrued income	48,524	219,680
	<u>8,428,919</u>	<u>8,766,130</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 15)	791,829	410,300	73,644	71,254
Hire purchase contracts (see note 16)	261,296	70,768	-	-
Trade creditors	10,544,904	12,120,011	-	-
Amounts owed to group undertakings	-	-	399,453	328,932
Tax	20,253	28,004	-	-
Social security and other taxes	63,657	58,715	-	-
Other creditors	376,476	231,640	-	-
Directors' current accounts	93,422	81,463	-	-
Accruals and deferred income	146,646	39,010	-	-
	<u>12,298,483</u>	<u>13,039,911</u>	<u>473,097</u>	<u>400,186</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 15)	405,487	478,398	405,487	478,398
Hire purchase contracts (see note 16)	105,526	166,164	-	-
	<u>511,013</u>	<u>644,562</u>	<u>405,487</u>	<u>478,398</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	718,185	339,046	-	-
Bank loans	73,644	71,254	73,644	71,254
	<u>791,829</u>	<u>410,300</u>	<u>73,644</u>	<u>71,254</u>
Amounts falling due between one and two years:				
Bank loans	<u>76,115</u>	<u>73,644</u>	<u>76,115</u>	<u>73,644</u>
Amounts falling due between two and five years:				
Bank loans	<u>244,015</u>	<u>168,799</u>	<u>244,015</u>	<u>168,799</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>85,357</u>	<u>235,955</u>	<u>85,357</u>	<u>235,955</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2017	2016
	£	£
Gross obligations repayable:		
Within one year	265,442	75,042
Between one and five years	107,293	167,831
	<u>372,735</u>	<u>242,873</u>
Finance charges repayable:		
Within one year	4,146	4,274
Between one and five years	<u>1,767</u>	<u>1,667</u>
	<u>5,913</u>	<u>5,941</u>
Net obligations repayable:		
Within one year	261,296	70,768
Between one and five years	<u>105,526</u>	<u>166,164</u>
	<u>366,822</u>	<u>236,932</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

16. LEASING AGREEMENTS - continued

Group	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	28,000	-
Between one and five years	112,000	-
In more than five years	156,520	-
	<u>296,520</u>	<u>-</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank overdrafts	718,185	339,046	-	-
Bank loans	479,131	549,652	479,131	549,652
Hire purchase contracts	366,822	236,932	-	-
	<u>1,564,138</u>	<u>1,125,630</u>	<u>479,131</u>	<u>549,652</u>

The bank overdraft and loan are secured by way of debenture over the assets of the company and a legal charge over the land at Wilton and Henstridge, owned by the parent company.

The bank loan is repayable by monthly instalments, the final payment being due in 2023. The interest rate on this loan is fixed at base rate plus 2.85% per annum.

Amounts payable under hire purchase contracts are secured by way of fixed charges over the individual assets acquired.

18. PROVISIONS FOR LIABILITIES

Group	Group	
	2017	2016
	£	£
Deferred tax	<u>57,302</u>	<u>65,253</u>
		Deferred tax
		£
Balance at 1 April 2016		65,253
Accelerated capital allowances		(7,951)
Balance at 31 March 2017		<u>57,302</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
260,000	Ordinary A	£1	260,000	260,000
10,000	Ordinary B	£1	10,000	10,000
			<u>270,000</u>	<u>270,000</u>

The A and B shares rank pari passu in all respects, except that the directors may declare a dividend on one class and not the other or of differing amounts for each type of share.

Should a bona fide, independent offer be made for the shares of the company that is acceptable to the holders of the A shares, then such an offer shall also be deemed to be binding on the B shareholders.

20. RESERVES**Group**

	Retained earnings £
At 1 April 2016	2,404,528
Profit for the year	7,985
Dividends	(30,000)
At 31 March 2017	<u>2,382,513</u>

Company

	Retained earnings £
At 1 April 2016	(87,860)
Profit for the year	12,429
Dividends	(30,000)
At 31 March 2017	<u>(105,431)</u>

21. PENSION COMMITMENTS

The group operates a defined contribution pension scheme on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions made to the scheme amounted to £36,071 (2016: £35,841). There were no outstanding contributions at the year end (2016: £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

22. CONTINGENT LIABILITIES

The group has entered into an unlimited multilateral guarantee dated 28 January 2013, securing the bank loan of C & O Holdings Limited, and the overdraft held by C & O Tractors Limited.

A contingent liability exists in respect of a guarantee dated 28 March 2014 in favour of a supplier of C & O Tractors Limited. The value of this contingent liability was £200,000 at the balance sheet date.

23. ULTIMATE CONTROLLING PARTY

The controlling party is A G Coles.