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Registered number: SC266513

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SELLARS AGRICULTURE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

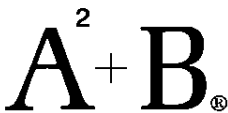
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SELLARS AGRICULTURE LIMITED

COMPANY INFORMATION



DIRECTORS	N A Wattie C E Last L Laird
COMPANY NUMBER	SC266513
REGISTERED OFFICE	The Meadows Industrial Estate Station Road Oldmeldrum Inverurie Aberdeenshire AB51 0EZ
AUDITOR	Anderson Anderson & Brown LLP 9 Queens Road Aberdeen AB15 4YL

SELLARS AGRICULTURE LIMITED

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SELLARS AGRICULTURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2011

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The directors present their report and the financial statements for the year ended 30 September 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company is the sale of agricultural harvesting machines, tractors, parts and service.

BUSINESS REVIEW

The directors are satisfied with the result for the year having achieved higher turnover and increased profit. The retained profit continues to build and strengthen the balance sheet.

RESULTS

The profit for the year, after taxation, amounted to £520,492 (2010 - £390,771).

DIRECTORS

The directors who served during the year were:

N A Wattie
C E Last
L Laird

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent retailers, employee retention, and product availability.

PROVISION OF INFORMATION TO AUDITOR

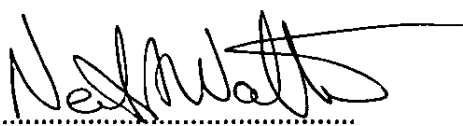
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

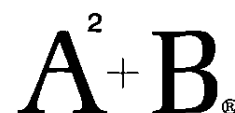


N A Wattie
Director

Date: 10.02.12

SELLARS AGRICULTURE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2011



The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

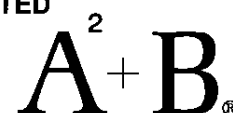
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

SELLARS AGRICULTURE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SELLARS AGRICULTURE LIMITED



We have audited the financial statements of Sellars Agriculture Limited for the year ended 30 September 2011, set out on pages 5 to 16. 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 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 September 2011 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.

SELLARS AGRICULTURE LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SELLARS AGRICULTURE LIMITED
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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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

James Pirrie (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

9 Queens Road

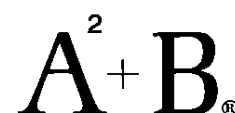
Aberdeen

AB15 4YL

Date: *10th February 2012*

SELLARS AGRICULTURE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**



	Note	2011 £	2010 £
TURNOVER	3	29,322,253	26,506,102
Cost of sales		(25,590,944)	(23,026,390)
GROSS PROFIT	4	3,731,309	3,479,712
Administrative expenses		(2,970,984)	(2,876,271)
OPERATING PROFIT	4	760,325	603,441
Interest payable and similar charges	7	(67,456)	(62,587)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		692,869	540,854
Tax on profit on ordinary activities	8	(172,377)	(150,083)
PROFIT FOR THE FINANCIAL YEAR		520,492	390,771

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

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	Note	£	2011 £	£	2010 £
FIXED ASSETS					
· Tangible assets	9		211,851		207,833
CURRENT ASSETS					
· Stocks	10	6,666,401		4,943,858	
Debtors	11	4,049,477		3,331,009	
Cash in hand		1,438		1,553	
			<u>10,717,316</u>	<u>8,276,420</u>	
CREDITORS: amounts falling due within one year	12	<u>(7,920,077)</u>		<u>(5,883,035)</u>	
NET CURRENT ASSETS			<u>2,797,239</u>		<u>2,393,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,009,090</u>		<u>2,601,218</u>
CREDITORS: amounts falling due after more than one year	13		<u>(74,185)</u>		<u>(61,205)</u>
NET ASSETS			<u><u>2,934,905</u></u>		<u><u>2,540,013</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		237,500		237,500
Share premium account	15		162,500		162,500
Profit and loss account	15		2,534,905		2,140,013
SHAREHOLDERS' FUNDS	16		<u><u>2,934,905</u></u>		<u><u>2,540,013</u></u>

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



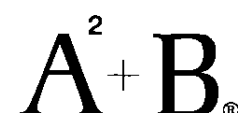
N A Wattie
Director

Date: 10.02.12

The notes on pages 8 to 16 form part of these financial statements.

SELLARS AGRICULTURE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**



	Note	2011 £	2010 £
Net cash flow from operating activities	18	842,909	330,681
Returns on investments and servicing of finance	19	(67,456)	(62,587)
Taxation		(149,617)	(105,016)
Capital expenditure and financial investment	19	(23,883)	(10,762)
Equity dividends paid		(125,600)	(95,000)
CASH INFLOW BEFORE FINANCING		476,353	57,316
Financing	19	(71,493)	(68,011)
INCREASE/(DECREASE) IN CASH IN THE YEAR		404,860	(10,695)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

	2011 £	2010 £
Increase/(Decrease) in cash in the year	404,860	(10,695)
Cash outflow from decrease in debt and lease financing	71,493	68,011
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	476,353	57,316
New finance leases	(87,685)	(52,250)
MOVEMENT IN NET DEBT IN THE YEAR	388,668	5,066
Net debt at 1 October 2010	(1,344,232)	(1,349,298)
NET DEBT AT 30 SEPTEMBER 2011	(955,564)	(1,344,232)

The notes on pages 8 to 16 form part of these financial statements.

1. GOING CONCERN

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

2.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	4-5 years straight line
Motor vehicles	-	3-4 years straight line
Fixtures & fittings	-	4-5 years straight line
Computer equipment	-	2-3 years straight line

2.3 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.4 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.

2.5 Pensions

The company contributes to 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. ACCOUNTING POLICIES (continued)

2.6 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.

Current tax, including UK corporation tax and foreign 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.

3. TURNOVER

The principal activity of the company is the sale of agricultural harvesting machines, tractors, parts and service.

All turnover arose within the United Kingdom.

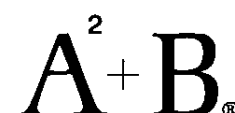
4. OPERATING PROFIT

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

	2011 £	2010 £
Depreciation of tangible fixed assets:		
- owned by the company	67,535	68,340
- held under finance leases	43,415	46,352
Auditors' remuneration	14,700	14,000
Operating lease rentals:		
- motor vehicles	22,635	-
- land and buildings	197,000	197,000
Gain on sale of fixed assets	(3,400)	(5,540)

SELLARS AGRICULTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**



5. STAFF COSTS

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

	2011 £	2010 £
Wages and salaries	2,277,147	2,122,769
Social security costs	230,083	210,210
Other pension costs	57,498	63,175
	<u>2,564,728</u>	<u>2,396,154</u>

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

	2011 No.	2010 No.
Sales and service staff	73	71
Management and administration staff	8	8
	<u>81</u>	<u>79</u>

6. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>137,786</u>	<u>138,668</u>
Company pension contributions to defined contribution pension schemes	<u>3,403</u>	<u>3,402</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes.

7. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	17,956	18,334
On finance leases and hire purchase contracts	8,809	9,729
Other interest payable	40,691	34,524
	<u>67,456</u>	<u>62,587</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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8. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	177,182	154,422
Adjustments in respect of prior periods	(4,805)	(91)
Total current tax	<u>172,377</u>	<u>154,331</u>
Deferred tax		
Origination and reversal of timing differences	-	(4,248)
Tax on profit on ordinary activities	<u>172,377</u>	<u>150,083</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 27% (2010 - 28%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	<u>692,869</u>	<u>540,854</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27% (2010 - 28%)	187,075	151,439
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,227	1,703
Depreciation in excess of capital allowances	(7,945)	12,723
Marginal relief	(12,929)	(11,443)
Adjustments to tax charge in respect of prior periods	(4,805)	(91)
Short term timing difference leading to an increase (decrease) in taxation	1,754	-
Current tax charge for the year (see note above)	<u>172,377</u>	<u>154,331</u>

There were no factors that may affect future tax charges.

SELLARS AGRICULTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 October 2010	153,176	492,007	24,979	23,874	694,036
Additions	23,089	87,685	4,194	-	114,968
Disposals	-	(19,775)	-	-	(19,775)
At 30 September 2011	<u>176,265</u>	<u>559,917</u>	<u>29,173</u>	<u>23,874</u>	<u>789,229</u>
Depreciation					
At 1 October 2010	115,897	321,453	24,979	23,874	486,203
Charge for the year	19,641	91,047	262	-	110,950
On disposals	-	(19,775)	-	-	(19,775)
At 30 September 2011	<u>135,538</u>	<u>392,725</u>	<u>25,241</u>	<u>23,874</u>	<u>577,378</u>
Net book value					
At 30 September 2011	<u>40,727</u>	<u>167,192</u>	<u>3,932</u>	<u>-</u>	<u>211,851</u>
At 30 September 2010	<u>37,279</u>	<u>170,554</u>	<u>-</u>	<u>-</u>	<u>207,833</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2011 £	2010 £
Plant and machinery	-	8,753
Motor vehicles	148,047	116,276
	<u>148,047</u>	<u>125,029</u>

10. STOCKS

	2011 £	2010 £
Interest bearing consignment vehicles	2,313,223	1,885,566
Work in progress	207,277	168,624
Finished goods and goods for resale	4,145,901	2,889,668
	<u>6,666,401</u>	<u>4,943,858</u>

SELLARS AGRICULTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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11. DEBTORS

	2011 £	2010 £
Trade debtors	3,528,695	2,915,642
Other debtors	114,784	65,800
Prepayments and accrued income	405,998	349,567
	<u>4,049,477</u>	<u>3,331,009</u>

**12. CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	823,985	1,228,960
Net obligations under finance leases and hire purchase contracts	58,832	55,620
Trade creditors	3,214,100	1,467,793
Corporation tax	177,182	154,422
Social security and other taxes	378,713	439,613
Other creditors	2,849,102	2,096,301
Accruals and deferred income	418,163	440,326
	<u>7,920,077</u>	<u>5,883,035</u>

The bank borrowings are secured by a bond and floating charge over all the assets of the company.

**13. CREDITORS:
Amounts falling due after more than one year**

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	<u>74,185</u>	<u>61,205</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2011 £	2010 £
Between one and five years	<u>74,185</u>	<u>61,205</u>

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
237,500 Ordinary shares of £1 each	<u>237,500</u>	<u>237,500</u>

SELLARS AGRICULTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011**

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15. RESERVES

	Share premium account £	Profit and loss account £
At 1 October 2010	162,500	2,140,013
Profit for the year		520,492
Dividends: Equity capital		(125,600)
	<u>162,500</u>	<u>2,534,905</u>
At 30 September 2011	<u>162,500</u>	<u>2,534,905</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	2,540,013	2,244,242
Profit for the year	520,492	390,771
Dividends (Note 17)	(125,600)	(95,000)
	<u>2,934,905</u>	<u>2,540,013</u>
Closing shareholders' funds	<u>2,934,905</u>	<u>2,540,013</u>

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>125,600</u>	<u>95,000</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	760,325	603,441
Depreciation of tangible fixed assets	110,950	114,692
Profit on disposal of tangible fixed assets	(3,400)	(5,540)
(Increase)/decrease in stocks	(1,722,543)	407,987
Increase in debtors	(718,470)	(257,121)
Increase/(decrease) in creditors	2,416,047	(532,778)
	<u>842,909</u>	<u>330,681</u>
Net cash inflow from operating activities	<u>842,909</u>	<u>330,681</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

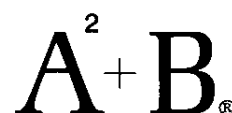
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19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest paid	(58,647)	(52,858)
Hire purchase interest	(8,809)	(9,729)
Net cash outflow from returns on investments and servicing of finance	(67,456)	(62,587)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(27,283)	(17,956)
Sale of tangible fixed assets	3,400	7,194
Net cash outflow from capital expenditure	(23,883)	(10,762)
	2011 £	2010 £
Financing		
Repayment of finance leases	(71,493)	(68,011)

20. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2010 £	Cash flow £	Other non-cash changes £	30 September 2011 £
Cash at bank and in hand	1,553	(115)	-	1,438
Bank overdraft	(1,228,960)	404,975	-	(823,985)
	(1,227,407)	404,860	-	(822,547)
Debt:				
Finance leases	(116,825)	71,493	(87,685)	(133,017)
Net debt	(1,344,232)	476,353	(87,685)	(955,564)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

21. OPERATING LEASE COMMITMENTS

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2011	2010	2011	2010
	£	£	£	£
Expiry date:				
Within 1 year	30,000	10,000	18,166	-
Between 2 and 5 years	187,000	187,000	4,539	-

22. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the directors.

Transactions

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

Related Party	Transaction	£	Balance at year end £
N A Wattie; of which N Wattie is a partner	Sales	3,104	-
Lyle Laird & Sons; of which L Laird's brothers are partners	Sales	1,223	-
Claas UK Limited; shareholder	Sales	300,452	
	Purchases	5,849,221	(1,599,307)