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Graco Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2009

Registration number 00816572

Graco Limited
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Graco Limited
Company Information

Directors	K P Gallivan S Paulis
Secretary	J Nijssen
Registered office	400 Capability Green Luton Bedfordshire LU1 3AE
Auditors	RSM Tenon Audit Limited Statutory Auditor Cedar House Breckland Linford Wood Milton Keynes MK14 6EX

Graco Limited

Directors' Report for the Year Ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity

The principal activity of the company is to act as a sales representative, distributing liquid handling products on behalf of Graco NV (Belgium) in the UK.

Directors

The directors who held office during the year were as follows

- K P Gallivan
- S Paulis

Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors to the company. The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board and signed on its behalf by

S Paulis
Director

Date 13/04/2010

Independent Auditors' Report to the Members of Graco Limited (Registration number: 00816572)

We have audited the financial statements of Graco Limited for the year ended 31 December 2009, set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 set out on page 2, 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 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 (APB'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.

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 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 prepare the financial statements and the Directors' Report in accordance with the small companies regime.

RSM Tenon Audit Limited

Clare Copeman
Senior Statutory Auditor

for and on behalf of
RSM Tenon Audit Limited
Statutory Auditor

Date 30.4.10

Cedar House
Breckland
Linford Wood
Milton Keynes
MK14 6EX

Graco Limited
Profit and Loss Account for the Year Ended 31 December 2009

	Note	2009 £	2008 £
Turnover		850,324	1,249,475
Administrative expenses		(681,824)	(725,679)
Operating profit	3	<u>168,500</u>	<u>523,796</u>
Other interest receivable and similar income		4,108	18,345
Interest payable and similar charges		(547)	-
Profit on ordinary activities before taxation		<u>172,061</u>	<u>542,141</u>
Tax on profit on ordinary activities	5	(53,073)	(161,008)
Profit for the financial year	10	<u><u>118,988</u></u>	<u><u>381,133</u></u>

The notes on pages 6 to 9 form an integral part of these financial statements

Graco Limited (Registration number: 00816572)

Balance Sheet as at 31 December 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Tangible assets	6		17,452		31,627
Current assets					
Debtors	7	295,344		600,192	
Cash at bank and in hand		16,869		33,620	
		<u>312,213</u>		<u>633,812</u>	
Creditors: Amounts falling due within one year	8	<u>(110,121)</u>		<u>(179,883)</u>	
Net current assets			<u>202,092</u>		<u>453,929</u>
Net assets			<u>219,544</u>		<u>485,556</u>
Capital and reserves					
Called up share capital	9		100,000		100,000
Profit and loss account	10		<u>119,544</u>		<u>385,556</u>
Shareholders' funds			<u>219,544</u>		<u>485,556</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 13/01/10 and signed on its behalf by

S Paulis
Director

The notes on pages 6 to 9 form an integral part of these financial statements

Graco Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies are set out below.

Turnover

Turnover represents commission earned on sales made on behalf of overseas group companies and is included net of value added tax.

Turnover

Turnover represents the value, net of value added tax, of commissions received.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Office equipment and motor vehicles 25-33 33% straight line

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

All the turnover of the company relates to services rendered to overseas companies.

3 Operating profit

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
The audit of the company's annual accounts	5,700	5,400
Foreign currency (gains)/losses	(373)	277
Profit on sale of fixed assets	(5)	(325)
Depreciation of tangible fixed assets	16,099	16,391

Graco Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

4 Directors' emoluments

No emoluments were paid to the directors during the year (2008 - £nil)

5 Taxation

Analysis of current period tax charge

	2009 £	2008 £
Current tax		
Corporation tax charge	60,000	165,000
Over provision in previous year	(6,927)	(3,992)
UK Corporation tax	<u>53,073</u>	<u>161,008</u>

6 Tangible fixed assets

	Office equipment and motor vehicles £
Cost	
As at 1 January 2009	71,483
Additions	3,020
Disposals	(3,785)
As at 31 December 2009	<u>70,718</u>
Depreciation	
As at 1 January 2009	39,856
Eliminated on disposals	(2,689)
Charge for the year	16,099
As at 31 December 2009	<u>53,266</u>
Net book value	
As at 31 December 2009	<u>17,452</u>
As at 31 December 2008	<u>31,627</u>

Graco Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

7 Debtors

	2009 £	2008 £
Amounts owed by group undertakings	259,765	555,553
Other debtors	19,783	24,170
Prepayments and accrued income	15,796	20,469
	<u>295,344</u>	<u>600,192</u>

8 Creditors. Amounts falling due within one year

	2009 £	2008 £
Trade creditors	3,083	735
Corporation tax	34,477	46,862
Social security and other taxes	20,413	20,808
Other creditors	3,115	-
Accruals and deferred income	49,033	111,478
	<u>110,121</u>	<u>179,883</u>

9 Share capital

	2009 £	2008 £
Authorised		
Equity		
1,500,000 Ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
Equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

10 Reserves

	Profit and loss account £
Balance at 1 January 2009	385,556
Profit for the year	118,988
Dividends	(385,000)
Balance at 31 December 2009	<u>119,544</u>

Graco Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

11 Operating lease commitments

As at 31 December the company had annual commitments under non-cancellable operating leases as follows

	Motor vehicles	
	2009	2008
	£	£
Within one year	35,592	13,174
Within two to five years	52,064	51,318
	<u>87,656</u>	<u>64,492</u>

12 Related parties

Controlling entity

The company's ultimate parent and controlling company is Graco Inc , incorporated in the State of Minnesota, USA. Copies of the group financial statements of Graco Inc are available from Graco Inc , 88-11th Avenue N E Minneapolis, MN 55413, USA

Related party transactions

The company's revenues are generated from a fellow subsidiary of Graco Inc. The company has taken advantage of the exemptions in Financial Reporting Standard 8 not to disclose transactions with other group companies, as consolidated accounts are prepared

13 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £30,941 (2008 - £30,879)

Contributions totalling £3,115 (2008 - £nil) were payable to the scheme at the end of the period and are included in creditors