

Bepco (UK) Limited

Annual Report

Period ended 31 December 2006



BEPCO (UK) LIMITED

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BEPKO (UK) LIMITED

Company Information

Directors	J A Howat K Palmer
Secretary	K Palmer
Registered office	Bepco House Hartlebury Trading Estate Hartlebury Worcestershire DY10 4JB
Registered number	1440643
Auditors	RSM Robson Rhodes LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	KBC Bank NV 3 Brindley Place Birmingham B1 2JB

Report of the Directors

The directors present their report and the audited financial statements for the period ended 31 December 2006

Principal activities

The principal activities of the company are as wholesaler of agricultural spares

Business review and future developments

The directors are satisfied with the performance of the company during the period and expect further profits to arise in the current year

In February 2007 the company became part of the GB Group and it is planned to draw on each groups' product synergies, sector expertise and geographic distribution points to leverage sales for both groups and hence profitability

Directors

The present directors of the company are set out on page 1

T Middleton and L Litwinowicz resigned as directors on 16 February 2007. The other two directors served throughout the period. No director had any interest in the share capital of the company at 31 December 2006 or 1 April 2006

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 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 that the financial statements comply with the Companies Act 1985. 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

Report of the Directors

(Continued)

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

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

Auditors

RSM Robson Rhodes are willing to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

Approval

The report of the directors was approved by the Board on 22 June 2007 and signed on its behalf by


K Palmer
Company Secretary

Independent Auditors' Report to the Shareholders of Bepco (UK) Limited

We have audited the financial statements on pages 5 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

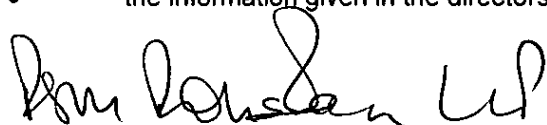
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2006 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Birmingham, England
22 June 2007

Profit and Loss Account

for the period ended 31 December 2006

	Note	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Turnover	2	2,756	3,669
Cost of sales		(2,020)	(2,700)
		<hr/>	<hr/>
Gross profit		736	969
Administrative expenses		(555)	(659)
		<hr/>	<hr/>
Operating profit	3	181	310
Interest payable	6	(13)	(13)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		168	297
Tax on profit on ordinary activities	7	-	-
		<hr/>	<hr/>
Profit for the financial period/ year	16	168	297
		<hr/>	<hr/>

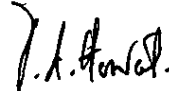
There are no recognised gains or losses other than the profit of £168,000 attributable to the shareholders for the period ended 31 December 2006 (31 March 2006 profit of £297,000)

Balance Sheet

at 31 December 2006

	Note	31 December 2006 £'000	31 March 2006 £'000
Fixed assets			
Tangible assets	8	7	14
Current assets			
Stocks	9	-	-
Debtors	10	1,018	789
Cash at bank and in hand		287	399
Creditors: Amounts falling due within one year	11	1,305 (372)	1,188 (430)
Net current assets		933	758
Total assets less current liabilities		940	772
Provision for liabilities and charges	12	-	-
Net assets		940	772
Capital and reserves			
Called up share capital	15	301	301
Profit and loss account	16	639	471
Equity shareholders' funds	16	940	772

The financial statements were approved by the Board on 22 June 2007 and signed on its behalf by


J A Howat
Director

Notes to the Financial Statements

31 December 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been reviewed by the Board in accordance with Financial Reporting Standard ('FRS') 18 'Accounting Policies' and which have been applied consistently, is set out below

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Related party disclosures

FRS 8 'Related party disclosures' requires the disclosure of details of any material transactions between the reporting entity and any related parties

The company has taken advantage of the exemption conferred upon 90% subsidiaries from reporting transactions within the group or with its associates

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Freehold buildings	- 2% per annum straight line
Fixtures, fittings and equipment	- 20% per annum straight line
Motor vehicles	- 30% per annum straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the Financial Statements

31 December 2006

1. ACCOUNTING POLICIES (Continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All exchange differences are taken to the profit and loss account

Finance leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

Operating leases

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

Notes to the Financial Statements

31 December 2006

2. TURNOVER

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied

An analysis of turnover by geographical market is given below

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Turnover by geographical market		
United Kingdom	1,827	2,531
Europe	929	1,138
	<hr/>	<hr/>
	2,756	3,669
	<hr/>	<hr/>

3. OPERATING PROFIT

Operating profit is arrived at after charging

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Auditors' remuneration – audit services	6	6
	<hr/>	<hr/>
Depreciation of owned fixed assets	8	20
	<hr/>	<hr/>
Profit on disposal of fixed assets	2	127
Net profit on foreign currency translation	5	13
	<hr/>	<hr/>

Notes to the Financial Statements

31 December 2006

4. STAFF COSTS

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Wages and salaries	319	427
Social security costs	25	33
	<hr/>	<hr/>
	344	460
	<hr/>	<hr/>

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

	Period ended 31 December 2006 No.	Year ended 31 March 2006 No.
Administration	2	2
Selling and distribution	11	11
	<hr/>	<hr/>
	13	13
	<hr/>	<hr/>

5 DIRECTORS' EMOLUMENTS

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Emoluments	-	-
	<hr/>	<hr/>

6. INTEREST PAYABLE

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Finance charges payable under finance leases	-	-
Interest on other loans	13	13
	<hr/>	<hr/>
	13	13
	<hr/>	<hr/>

Notes to the Financial Statements

31 December 2006

7. TAXATION

(a) Tax on profit on ordinary activities

The taxation charge is made up as follows

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Current taxation		
United Kingdom Corporation tax	-	-
	<hr/>	<hr/>
Total current tax (note 7 (b))	-	-
Deferred taxation		
Origination and reversal of timing differences (note 7(c))	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is different to the standard rate of corporation tax in the UK of 30% (31 March 2006 30%) The differences are reconciled below

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Profit on ordinary activities before taxation	168	297
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 March 2006 30%)	50	89
Expenses not deductible for tax purposes	1	1
Group relief received for nil payment	(49)	(74)
Other short term timing differences	(1)	(4)
Utilisation of tax losses	-	(12)
Accelerated capital allowances	(1)	-
	<hr/>	<hr/>
Total current tax (note 7 (a))	-	-
	<hr/>	<hr/>

Notes to the Financial Statements

31 December 2006

7 TAXATION (continued)

(c) Deferred tax

	Period ended 31 December 2006 £'000	Year ended 31 March 2006 £'000
Capital allowances in advance of depreciation	-	-
Other timing differences	-	-
	<hr/>	<hr/>
Provision for deferred taxation (note 12)	-	-
	<hr/>	<hr/>

8. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures, fittings and computer equipment £'000	Total £'000
Cost or valuation			
At 1 April 2006	57	91	148
Additions	1	-	1
Disposals	(18)	-	(18)
	<hr/>	<hr/>	<hr/>
At 31 December 2006	40	91	131
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2006	51	83	134
Charged in period	6	2	8
Disposals	(18)	-	(18)
	<hr/>	<hr/>	<hr/>
At 31 December 2006	39	85	124
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2006	1	6	7
	<hr/>	<hr/>	<hr/>
At 31 March 2006	6	8	14
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements

31 December 2006

9. STOCKS

	31 December 2006 £'000	31 March 2006 £'000
Finished goods	-	-

10. DEBTORS

	31 December 2006 £'000	31 March 2006 £'000
Trade debtors	596	730
Amounts owed by group undertakings	370	50
Other debtors	52	9
	<u>1,018</u>	<u>789</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2006 £'000	31 March 2006 £'000
Trade creditors	52	32
Amounts owed to group undertakings	293	354
Corporation tax	-	-
Accruals and other deferred income	24	41
Other creditors	3	3
	<u>372</u>	<u>430</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	31 December 2006 £'000	31 March 2006 £'000
At 1 April 2006	-	-
Charge/(credit) for the period/year	-	-
	<u>-</u>	<u>-</u>
At 31 December 2006	-	-

Notes to the Financial Statements

31 December 2006

13 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	31 December 2006 £'000	Motor Vehicles 31 March 2006 £'000
Operating leases which expire		
- within one year	3	-
- within one to two years	9	-
- within two to five years	10	20
	<hr/>	<hr/>
	22	20
	<hr/>	<hr/>

14. CONTINGENT LIABILITY

The company has issued an unlimited guarantee to support group facilities. The amount outstanding on the Group guarantee at 31 December 2006 is £5,495,000 (31 March 2006 £5,527,000)

15. SHARE CAPITAL

	31 December 2006 £'000	31 March 2006 £'000
Authorised		
301,000 ordinary shares of £1 each	301	301
	<hr/>	<hr/>
Allotted and fully paid		
301,000 ordinary shares of £1 each	301	301
	<hr/>	<hr/>

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 31 March 2005	301	174	475
Profit for the year	-	297	297
	<hr/>	<hr/>	<hr/>
At 31 March 2006	301	471	772
Profit for the period	-	168	168
	<hr/>	<hr/>	<hr/>
At 31 December 2006	301	639	940
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements

31 December 2006

17 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Bepco Group Limited, a company registered in England and Wales

The company's ultimate parent undertaking at the period end was Tractiv Group Limited
Copies of the consolidated accounts which include Bepco (UK) Limited are available from the registered office of the company

Since the period end, Tractiv Group Limited has become a subsidiary of GB London S P A a company registered in Italy