

# Bepco (UK) Limited

Annual Report

*Year ended 31 December 2007*



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## **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	Grant Thornton UK 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 year ended 31 December 2007

### 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 year and expect further profits to arise in the current year

In February 2007 the company became part of GB Group and it is planned to draw on each group's 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. On 16 February 2007, T Middleton and L Litwinowicz resigned as directors

The remaining two directors served throughout the period. No director had any interest in the share capital of the company at 31 December 2007 (2006 Nil)

### Statement of directors' responsibilities for the financial statements

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

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

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

## Report of the Directors

(Continued)

### Auditors

RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 1 July 2007, with the successor firm being Grant Thornton Robson Rhodes resigned as auditors on 1 July 2007, creating a casual vacancy which the directors have filled by appointing Grant Thornton. A resolution to reappoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting.

### Approval

The report of the directors was approved by the Board on 22 May 2008 and signed on its behalf by



K Palmer  
Company Secretary

# **Report of the Independent Auditor to the Shareholders of Bepco (UK) Limited**

We have audited the financial statements of Bepco (UK) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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 auditors**

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and 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.

# Report of the Independent Auditor to the Members of Bepco (UK) Limited

(Continued)

## 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 the company's affairs as at 31 December 2007 and of its profit for year 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



GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
Birmingham  
22 May 2008

# Profit and Loss Account

for the year ended 31 December 2007

	Note	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Turnover - continuing operations	2	4,197	2,756
Cost of sales		(3,044)	(2,020)
<b>Gross profit</b>		<b>1,153</b>	<b>736</b>
Administrative expenses		(799)	(555)
<b>Operating profit - continuing operations</b>	3	<b>354</b>	<b>181</b>
Interest payable	6	(10)	(13)
<b>Profit on ordinary activities before taxation</b>		<b>344</b>	<b>168</b>
Tax on profit on ordinary activities	7	-	-
<b>Profit for the financial year / period</b>	16	<b>344</b>	<b>168</b>

There are no recognised gains or losses other than the profit of £344,000 attributable to the shareholders for the year ended 31 December 2007 ( Period ended 31 December 2006 £168,000)



# Balance Sheet

at 31 December 2007

	Note	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Tangible assets	8	5	7
<b>Current assets</b>			
Debtors	9	1,631	1,018
Cash at bank and in hand		130	287
<b>Creditors</b> Amounts falling due within one year	10	1,761 (482)	1,305 (372)
<b>Net current assets</b>		1,279	933
<b>Total assets less current liabilities</b>		1,284	940
<b>Provision for liabilities and charges</b>	11	-	-
<b>Net assets</b>		1,284	940
<b>Capital and reserves</b>			
Called up share capital	14	301	301
Profit and loss account	15	983	639
<b>Equity shareholders' funds</b>	15	1,284	940

The financial statements were approved by the Board on 22 May 2008 and signed on its behalf by

  
J A Howat  
Director

# Notes to the Financial Statements

31 December 2007

## 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 2007

## 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 2007

## 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

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
<b>Turnover by geographical market</b>		
United Kingdom	2,749	1,827
Europe	1,448	929
	<hr/>	<hr/>
	4,197	2,756
	<hr/>	<hr/>

## 3. OPERATING PROFIT

Operating profit is arrived at after charging

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Auditors' remuneration – audit services	12	6
Depreciation of owned fixed assets	4	8
Profit on disposal of fixed assets	1	2
Net profit on foreign currency translation	16	5
	<hr/>	<hr/>

# Notes to the Financial Statements

31 December 2007

## 4 STAFF COSTS

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Wages and salaries	457	319
Social security costs	33	25
	<u>490</u>	<u>344</u>

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

	Year ended 31 December 2007 No	Period ended 31 December 2006 No
Administration	2	2
Selling and distribution	11	11
	<u>13</u>	<u>13</u>

## 5. DIRECTORS' EMOLUMENTS

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Emoluments	-	-

## 6 INTEREST PAYABLE

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Interest on other loans	<u>10</u>	<u>13</u>

# Notes to the Financial Statements

31 December 2007

## 7 TAXATION

### (a) Tax on profit on ordinary activities

The taxation charge is made up as follows

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
<b>Current taxation</b>		
United Kingdom Corporation tax	-	-
	<hr/>	<hr/>
Total current tax (note 7 (b))	-	-
<b>Deferred taxation</b>		
Origination and reversal of timing differences (note 7(c))	-	-
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	-	-
	<hr/>	<hr/>

### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year / period is different to the standard rate of corporation tax in the UK of 30%. The differences are reconciled below

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Profit on ordinary activities before taxation	344	168
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	103	50
Expenses not deductible for tax purposes	1	1
Group relief received for Nil payment	(102)	(49)
Other short term timing differences	-	(1)
Accelerated capital allowances	(2)	(1)
	<hr/>	<hr/>
Total current tax (note 7 (a))	-	-
	<hr/>	<hr/>

# Notes to the Financial Statements

31 December 2007

## 7. TAXATION (continued)

(c) Deferred tax

	Year ended 31 December 2007 £'000	Period ended 31 December 2006 £'000
Capital allowances in advance of depreciation	-	-
Other timing differences	-	-
	<hr/>	<hr/>
Provision for deferred taxation (note 11)	-	-
	<hr/>	<hr/>

## 8. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures, fittings and computer equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2007	40	91	131
Additions	-	3	3
Disposals	(7)	-	(7)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	33	94	127
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2007	39	85	124
Charged in year	-	4	4
Disposals	(6)	-	(6)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	33	89	122
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2007	-	5	5
	<hr/>	<hr/>	<hr/>
At 31 December 2006	1	6	7
	<hr/>	<hr/>	<hr/>

# Notes to the Financial Statements

31 December 2007

## 9. DEBTORS

	2007 £'000	2006 £'000
Trade debtors	815	596
Amounts owed by group undertakings	785	370
Other debtors	31	52
	<hr/>	<hr/>
	1,631	1,018
	<hr/>	<hr/>

## 10. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Trade creditors	12	52
Amounts owed to group undertakings	424	293
Corporation tax	-	-
Accruals and other deferred income	36	24
Other creditors	10	3
	<hr/>	<hr/>
	482	372
	<hr/>	<hr/>

## 11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	2007 £'000	2006 £'000
At 1 January 2007	-	-
Charge/(credit) for the year/period	-	-
	<hr/>	<hr/>
At 31 December 2007	-	-
	<hr/>	<hr/>



# Notes to the Financial Statements

31 December 2007

## 12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007 £'000	Motor Vehicles 2006 £'000
Operating leases which expire		
- within one year	6	3
- within one to two years	6	9
- within two to five years	22	10
	<u>34</u>	<u>22</u>

## 13. CONTINGENT LIABILITY

The company has issued an unlimited guarantee to support group facilities. The amount outstanding on the Group guarantee at 31 December 2007 is £8,101,360 (2006 £5,495,000)

## 14. SHARE CAPITAL

	2007 £'000	2006 £'000
<b>Authorised</b>		
301,000 ordinary shares of £1 each	301	301
<b>Allotted and fully paid</b>		
301,000 ordinary shares of £1 each	301	301

## 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 31 March 2006	301	471	772
Profit for the period	-	168	168
At 31 December 2006	301	639	940
Profit for the year	-	344	344
At 31 December 2007	301	983	1,284

## **Notes to the Financial Statements**

**31 December 2007**

### **16. 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 in the UK at 31 December 2007 was Tractiv Group Limited

During the current year, Tractiv Group Limited became a subsidiary of GB London S P A a company registered in Italy