



# Financial Statements

## Bepco (UK) Limited

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**For the Year ended 31 December 2009**



**Company No. 1440643**

## Company information

<b>Company registration number</b>	1440643
<b>Registered office</b>	Bepco House Hartlebury Trading Estate Hartlebury Worcestershire DY10 4JB
<b>Directors</b>	J A Howat K Palmer
<b>Secretary</b>	K Palmer
<b>Bankers</b>	KBC Bank NV 3 Brindley Place Birmingham B1 2JB
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditor Enterprise House 115 Edmund Street Birmingham B3 2HJ

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## Report of the directors

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

### Principal activities and business review

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

The directors were satisfied by the performance during the year and expect profits to continue to be generated in future years

### Key performance indicators (KPI's)

	2009 £'000	2008 £'000
Turnover growth	0.0%	5.8%
Gross profit (£'000's)	1,226	1,231
Operating profit (£'000's)	391	444

The principal risks and uncertainties affecting the company are -

- the state of the markets in which it operates and the competitive pressures within those markets,
- the strength of the relationships with major suppliers and customers, and
- the ability to recruit, retain and motivate key employees

In developing its strategy and plans Bepco UK Limited takes full account of the need to minimise the impact of the risks associated with its business

### Financial instruments

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange risks, credit risks and liquidity risks

The main risks arising from the company's financial instruments can be analysed as follows -

#### Price risk

The company has no significant exposure to securities price risk, as it holds no listed equity investments

#### Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. However the majority of the trading is conducted in sterling so the risk is considered to be minimal

## Report of the directors

### **Credit risk**

The company's principal financial assets are bank balances, cash, and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### **Liquidity risk**

The company's policy has been to ensure continuity of funding through acquiring an element of the company's fixed assets under finance leases, and arranging funding for operations via a bank overdraft.

### **Cash flow interest rate risk**

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a variable rate. The interest rate on the bank overdraft is at market rate and the company's policy is to keep the overdraft within defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on financial performance of the company.

### **Directors**

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

Both directors served throughout the period. No director had any interest in the share capital of the company at 31 December 2009 (2008: £Nil).

## Report of the directors

### **Directors' responsibilities**

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 United Kingdom 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 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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Auditor**

Grant Thornton UK LLP offer themselves for reappointment in accordance with section 406 of the Companies Act 2006.

### **Approval**

The report of the directors was approved by the Board on 29 March 2010 and signed on its behalf by



J A Howat

Director

Date 29 March 2010



## Report of the independent auditor to the members of Bepco (UK) Limited

We have audited the financial statements of Bepco (UK) Limited for the year ended 31 December 2009 which comprise the Principal Accounting Policies, the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP.cfm](http://www.frc.org.uk/apb/scope/UKNP.cfm)

### **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, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Report of the independent auditor to the members of Bepco (UK) Limited (continued)

## **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



Mark Taylor, Senior Statutory Auditor  
for and on behalf of

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
BIRMINGHAM

Date 29 March 2010



## Principal 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

### **Fixed assets**

All fixed assets are initially recorded at cost

### **Depreciation**

Depreciation is provided on all tangible fixed assets 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

Fixtures, fittings and computer 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

### **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

### **Pension costs**

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

## Principal accounting policies

### **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 within 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.

### **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 deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- 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.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

	Note	2009 £'000	2008 £000
Turnover	1	4,457	4,439
Cost of sales		(3,231)	(3,208)
Gross profit		<u>1,226</u>	<u>1,231</u>
Administrative expenses		(835)	(787)
Operating profit	2	<u>391</u>	<u>444</u>
Interest payable and similar charges	5	(10)	(10)
Profit on ordinary activities before taxation		<u>381</u>	<u>434</u>
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	14	<u><u>381</u></u>	<u><u>434</u></u>

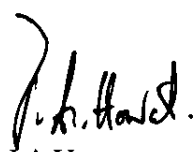
There are no recognised gains or losses other than the profit of £381,000 attributable to the shareholders for the year ended 31 December 2009 (2008 £434,000)

**The accompanying principal accounting policies and notes form part of these financial statements.**

## Balance sheet

	Note	2009 £000	2008 £000
<b>Fixed assets</b>			
Tangible assets	7	<u>63</u>	<u>2</u>
<b>Current assets</b>			
Debtors Amounts falling due within one year	8	<b>1,029</b>	875
Debtors Amounts falling due after more than one year	8	<b>1,094</b>	1,084
Cash at bank and in hand		<u>375</u>	<u>411</u>
		<b>2,498</b>	2,370
<b>Creditors</b> amounts falling due within one year	9	<u>(438)</u>	<u>(654)</u>
<b>Net current assets</b>		<u><b>2,060</b></u>	<u>1,716</u>
<b>Total assets less current liabilities</b>		<u><b>2,123</b></u>	<u>1,718</u>
<b>Creditors</b> amounts falling due after more than one year	10	<u><b>(24)</b></u>	<u>-</u>
<b>Net assets</b>		<u><u><b>2,099</b></u></u>	<u><u>1,718</u></u>
<b>Capital and reserves</b>			
Called-up equity share capital	13	<b>301</b>	301
Profit and loss account	14	<u><b>1,798</b></u>	<u>1,417</u>
<b>Equity shareholders' funds</b>	14	<u><u><b>2,099</b></u></u>	<u><u>1,718</u></u>

These financial statements were approved by the directors and authorised for issue on 29 March 2010, and are signed on their behalf by



J A Howat  
Director

Company Number 1440643

## Notes to the financial statements

### **1 Turnover**

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

An analysis of turnover by geographical market is given below

	2009 £'000	2008 £'000
<b>Turnover by geographical market</b>		
United Kingdom	2,938	2,781
Europe	1,519	1,658
	<u>4,457</u>	<u>4,439</u>

### **2 Operating profit**

Operating profit is stated after charging/(crediting)

	2009 £'000	2008 £'000
Auditors' remuneration - audit services	11	12
Depreciation of owned fixed assets	2	2
Depreciation of assets held under finance leases	14	-
Net loss/(profit) on foreign currency translation	74	(62)
	<u>          </u>	<u>          </u>

### **3 Directors and employees**

The aggregate payroll costs of the above were

	2009 £'000	2008 £'000
Wages and salaries	469	480
Social security costs	31	33
	<u>500</u>	<u>513</u>

The average number of staff employed by the company during the financial year amounted to

	2009 No	2008 No
Administration	2	2
Selling and distribution	11	12
	<u>13</u>	<u>14</u>

## Notes to the financial statements

### **4 Directors' emoluments**

No director received any emoluments from this company during the current or preceding year

### **5 Interest payable and similar charges**

	2009 £'000	2008 £'000
Interest on loans from group companies	<u>10</u>	<u>10</u>

### **6 Taxation on ordinary activities**

(a) Analysis of charge in the year

There is no tax charge in the current or preceding year

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 29%)

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	<u>381</u>	<u>434</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 29%)	107	126
Expenses not deductible for tax purposes	1	1
Group relief received for no payment	(96)	(126)
Accelerated capital allowances	<u>(12)</u>	<u>(1)</u>
Total current tax (note 6(a))	<u>-</u>	<u>-</u>

c) Deferred tax

The company has no material provided or unprovided deferred assets or liabilities at the balance sheet date (2008 £Nil)

## Notes to the financial statements

### **7 Tangible fixed assets**

	Motor vehicles £'000	Fixtures, fittings and computer equipment £'000	Total £'000
Cost			
At 1 January 2009	19	94	113
Additions	7	70	77
Disposals	(14)	-	(14)
At 31 December 2009	<u>12</u>	<u>164</u>	<u>176</u>
Depreciation			
At 1 January 2009	19	92	111
Charge for the year	2	14	16
Disposals	(14)	-	(14)
At 31 December 2009	<u>7</u>	<u>106</u>	<u>113</u>
Net book value			
At 31 December 2009	<u>5</u>	<u>58</u>	<u>63</u>
At 31 December 2008	<u>-</u>	<u>2</u>	<u>2</u>

The net book value of assets above includes an amount of £55,635 (2008 £nil) in respect of assets held under finance leases

Depreciation charged in the year on those assets totalled £13,908 (2008 £nil)

### **8 Debtors**

	2009 £'000	2008 £'000
Trade debtors	792	848
Amounts owed by group undertakings	1,312	1,084
Other debtors	19	27
	<u>2,123</u>	<u>1,959</u>

The debtors above include the following amounts falling due after more than one year

	2009 £'000	2008 £'000
Amounts owed by group undertakings	<u>1,094</u>	<u>1,084</u>

## Notes to the financial statements

### **9 Creditors: amounts falling due within one year**

	2009 £'000	2008 £'000
Trade creditors	31	24
Obligations under finance leases	22	-
Amounts owed to group undertakings	303	558
Accruals and deferred income	74	67
Other creditors	8	5
	<u>438</u>	<u>654</u>

### **10 Creditors: amounts falling due after more than one year**

	2009 £'000	2008 £'000
Obligations under finance leases	<u>24</u>	<u>-</u>

All amounts falling due after more than one year are due for repayment in one to two years

### **11 Leasing commitments**

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009 £'000	2008 £'000
Operating leases which expire		
Within one year	19	5
Within one to two years	11	20
Within two to five years	6	11
	<u>36</u>	<u>36</u>

### **12 Contingent liability**

The company has issued an unlimited guarantee to support group facilities. The amount outstanding on the Group guarantee at 31 December 2009 is £9,883,657 (2008 £10,583,172)



## Notes to the financial statements

### 13 Share capital

Authorised share capital

	2009 £'000	2008 £'000
301,000 Ordinary shares of £1 each	<u>301</u>	<u>301</u>

Allotted and fully paid

	2009 £'000	2008 £'000
301,000 Ordinary shares of £1 each	<u>301</u>	<u>301</u>

### 14 Reconciliation of equity shareholders' funds and movements on reserves

	Share capital £'000	Profit and loss account £'000	Total equity shareholders' funds £'000
At 31 December 2007	301	983	1,284
Profit for the year	-	434	434
At 31 December 2008	301	1,417	1,718
Profit for the year	-	381	381
At 31 December 2009	<u>301</u>	<u>1,798</u>	<u>2,099</u>

### 15 Ultimate parent company and controlling related party

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 2009 was Tractiv Group Limited and copies of the consolidated accounts, which include Bepco UK Limited, are available from the registered office of the company

The ultimate parent undertaking is GB London S P A a company registered in Italy