



# Financial Statements

## Bepco (UK) Limited

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**For the Year ended 31 December 2010**



**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 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 2010

### **Principal activities and business review**

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

Although the business has seen a weakening of demand from its Irish customers the directors consider that the company is in a strong position to take advantage of the existing market conditions and expect profits to continue to be generated in the future

### **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 2010 (2009 £Nil)

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Report of the Directors 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 laws). 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 and 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 accounting 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, and
- 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor 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.

## Report of the directors

### **Auditor**

Grant Thornton UK LLP ("Grant Thornton") are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting

### **Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

### **Approval**

The report of the directors was approved by the Board on *31 March* 2011 and signed on its behalf by



K Palmer  
Director

Date *31* / *3* / 2011



## 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 2010 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 3, 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 (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/private.cfm](http://www.frc.org.uk/apb/scope/private.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 2010 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
- 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  
STATUTORY AUDITOR  
CHARTERED ACCOUNTANTS  
BIRMINGHAM

Date *31 March* 2011

## 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 ultimate parent in the United Kingdom 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



## 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.

### **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.

### **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.

### **Turnover**

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

## Profit and loss account

	Note	2010 £'000	2009 £000
<b>Turnover – continuing operations</b>	1	3,963	4,457
Cost of sales		(2,846)	(3,231)
Gross profit		1,117	1,226
Administrative expenses		(854)	(835)
<b>Operating profit – continuing operations</b>	2	263	391
Interest payable	5	-	(10)
<b>Profit on ordinary activities before taxation</b>		263	381
Tax on profit on ordinary activities	6	(55)	-
<b>Profit for the financial year</b>	14	208	381

There are no recognised gains or losses other than the profit of £208,000 attributable to the shareholders for the year ended 31 December 2010 (2009 £381,000)

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

## Balance sheet

	Note	2010 £000	2009 £000
<b>Fixed assets</b>			
Tangible assets	7	46	63
<b>Current assets</b>			
Debtors Amounts falling due within one year	8	1,206	1,029
Debtors Amounts falling due after more than one year	8	1,564	1,094
Cash at bank and in hand		351	375
		3,121	2,498
<b>Creditors: amounts falling due within one year</b>	9	(860)	(438)
<b>Net current assets</b>		2,261	2,060
<b>Total assets less current liabilities</b>		2,307	2,123
<b>Creditors: amounts falling due after more than one year</b>	10	-	(24)
<b>Net assets</b>		2,307	2,099
<b>Capital and reserves</b>			
Called-up equity share capital	13	301	301
Profit and loss account	14	2,006	1,798
<b>Equity shareholders' funds</b>	14	2,307	2,099

These financial statements were approved by the directors and authorised for issue on 31 | 3 | 2011,  
and are signed on their behalf by



K Palmer  
Director

Company Number 1440643

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

## Notes to the financial statements

### **1 Turnover**

An analysis of turnover by geographical market is given below

	2010 £'000	2009 £'000
United Kingdom	2,715	2,938
Europe	1,248	1,519
	<u>3,963</u>	<u>4,457</u>

### **2 Operating profit**

Operating profit is stated after charging

	2010 £'000	2009 £'000
Auditors' remuneration - audit services	10	11
Depreciation of owned fixed assets	3	4
Depreciation of assets held under finance leases	14	14
Operating lease costs - plant and machinery	16	-
Net loss on foreign currency translation	57	74
	<u>57</u>	<u>74</u>

### **3 Directors and employees**

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

	2010 No	2009 No
Administration	2	2
Selling and distribution	9	11
	<u>11</u>	<u>13</u>

The aggregate payroll costs of the above were

	2010 £'000	2009 £'000
Wages and salaries	474	469
Social security costs	30	31
	<u>504</u>	<u>500</u>

### **4 Directors' emoluments**

	2010 £'000	2009 £'000
Emoluments	-	-

## Notes to the financial statements

### **5 Interest payable**

	2010 £'000	2009 £'000
Interest on loans from group companies	-	10

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

#### (a) Analysis of charge in the year

	2010 £'000	2009 £'000
Current tax		
In respect of the year		
UK Corporation tax	55	-
Total current tax	55	-
Deferred tax		
Origination and reversal of timing differences (note 6c)	-	-
Tax on profit on ordinary activities	55	-

#### (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% (2009 28%)

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	263	381
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	74	107
Expenses not deductible for tax purposes	(6)	1
Group relief received for no payment	(16)	(96)
Accelerated capital allowances	3	(12)
Total current tax (note 6(a))	55	-

#### c) Deferred tax

The company has no material provided or unprovided deferred assets or liabilities at the balance sheet date (2009 £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 2010 and 31 December 2010	<u>12</u>	<u>164</u>	<u>176</u>
Depreciation			
At 1 January 2010	7	106	113
Charge for the year	<u>2</u>	<u>15</u>	<u>17</u>
At 31 December 2010	<u>9</u>	<u>121</u>	<u>130</u>
Net book value			
At 31 December 2010	<u>3</u>	<u>43</u>	<u>46</u>
At 31 December 2009	<u>5</u>	<u>58</u>	<u>63</u>

The net book value of assets above includes an amount of £41,727 (2009 £55,635) in respect of assets held under finance leases

Depreciation charged in the year on those assets totalled £13,908 (2009 £13,908)

### **8 Debtors**

	2010 £'000	2009 £'000
Trade debtors	739	792
Amounts owed by group undertakings	1,996	1,312
Other debtors	<u>35</u>	<u>19</u>
	<u>2,770</u>	<u>2,123</u>

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

	2010 £'000	2009 £'000
Amounts owed by group undertakings	<u>1,564</u>	<u>1,094</u>

## Notes to the financial statements

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

	2010 £'000	2009 £'000
Trade creditors	119	31
Obligations under finance leases	22	22
Amounts owed to group undertakings	589	303
Accruals and deferred income	70	74
Other creditors	5	8
Corporation tax	55	-
	<u>860</u>	<u>438</u>

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

	2010 £'000	2009 £'000
Obligations under finance leases	<u>-</u>	<u>24</u>

### **11 Leasing commitments**

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	2010 £'000	2009 £'000
Operating leases which expire		
Within one year	6	19
Within one to two years	-	11
Within two to five years	11	6
	<u>17</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 2010 is £9,478,835 (2009 £9,883,657).

## Notes to the financial statements

### **13 Share capital**

Authorised share capital

	2010 £'000	2009 £'000
301,000 Ordinary shares of £1 each	<u>301</u>	<u>301</u>

Allotted and fully paid

	2010 £'000	2009 £'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 2008	301	1,417	1,718
Profit for the year	<u>-</u>	<u>381</u>	<u>381</u>
At 31 December 2009	301	1,798	2,099
Profit for the year	<u>-</u>	<u>208</u>	<u>208</u>
At 31 December 2010	<u>301</u>	<u>2,006</u>	<u>2,307</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 United Kingdom at 31 December 2010 was Tractiv Group Limited

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