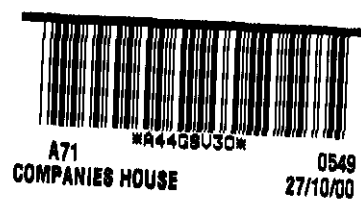


Bepco (UK) Limited
Annual Report
for the year ended 31 March 2000

Registered Number 1440643



Bepco (UK) Limited
Annual report
for the year ended 31 March 2000
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Bepco (UK) Limited

Directors and advisers for the year ended 31 March 2000

Directors

I Williams
A R Bainton
A J Giordano

Secretary and registered office

A R Bainton
Bepco House
Lynchford Lane
Farnborough
Hampshire
GU14 6JF

Bankers

Midland Bank plc
165 High Street
Southampton
Hampshire
SO14 2NZ

Registered Auditors

PricewaterhouseCoopers
Abacus House
Castle Park
Cambridge
CB3 0AN

Solicitors

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

Bepco (UK) Limited

Directors' report for the year ended 31 March 2000

The directors present their report and the audited financial statements of the company for the year ended 31 March 2000.

Principal activities

The profit and loss account for the year is set out on page 5.

The principal activity of the company continues to be the wholesale of agricultural spares.

Review of business and future developments

Both the level of business and the year end position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends

A final dividend of £Nil (1999: £0.12) per share has been declared.

Directors

The directors of the company at 31 March 2000, all of whom have been directors for the whole of the year ended on that date, except as noted below, were as follows:

I Williams
A R Bainton
A J Giordano

Directors and their interests

No director had any interest in the share capital of the company at 31 March 2000 or 1 April 1999.

The interests of Mr I Williams in the share capital of Tractiv Holdings Limited, the ultimate parent company are disclosed in the financial statements of that company.

Year 2000

The company did not experience any problems with its computer systems as a consequence of the date change on 1 January 2000 nor have any material problems emerged to date as a result. The company is not aware of any issues that have arisen as a result of date-related computer problems at third parties or suppliers. The company's preparation for the Year 2000 did not incur any significant expenditure.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

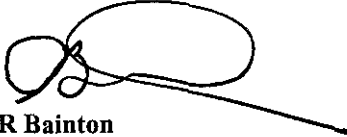
Bepco (UK) Limited

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.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by 'R Bainton' in a cursive script.

A R Bainton
Secretary

Bepco (UK) Limited

Auditors' report to the members of Bepco (UK) Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

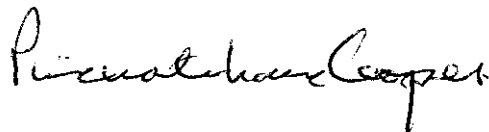
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cambridge, 25 October 2000

Bepco (UK) Limited

Profit and loss account for the year ended 31 March 2000

	Note	2000 £'000	1999 £'000
Turnover	2	2,865	2,462
Cost of sales		(2,028)	(1,687)
Gross profit		837	775
Administrative expenses		(772)	(685)
Operating profit – continuing operations		65	90
Interest payable and similar charges	5	(1)	(16)
Profit on ordinary activities before taxation	6	64	74
Tax on profit on ordinary activities	7	(18)	(30)
Profit on ordinary activities after taxation		46	44
Dividends payable at £Nil (1999: £0.12) per share		-	(37)
Retained profit for the financial year	15	46	7

The company has no recognised gains and losses other than the profits shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

All items dealt with in arriving at the profit for the year relate to continuing operations.

Bepco (UK) Limited

Balance sheet as at 31 March 2000

	Note	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	8	142	125
Current assets			
Stock	9	283	340
Debtors	10	552	526
Cash at bank and in hand		-	-
Net current assets		835	866
Creditors: amounts falling due within one year	11	(617)	(680)
Net current assets		218	186
Total assets less current liabilities		360	311
Creditors : amounts falling due after more than one year	12	(13)	(10)
Provisions for liabilities and charges	13	-	-
Net assets		347	301
Capital and reserves			
Called up share capital	14	301	301
Profit and loss account	15	46	-
Equity shareholders' funds		347	301

The financial statements on pages 5 to 13 were approved by the board of directors on 17 October 2000 and were signed on its behalf by:


I Williams
Director

Bepco (UK) Limited

Notes to the financial statements for the year ended 31 March 2000

1 Principal accounting policies

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 applied consistently, is set out below.

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention modified to include the revaluation of freehold land and buildings.

Cash flow statement

The company is a wholly owned subsidiary of Tractiv Holdings Limited and the cash flows of the company have been included in the consolidated cash flow statement of Tractiv Holdings Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

Related party disclosures

Financial Reporting Standard No 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.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2% per annum straight line
Fixtures, fittings and equipment	20% per annum straight line
Motor vehicles	25% per annum reducing balance

No depreciation is provided on freehold land.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Bepco (UK) Limited

2 Turnover

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

3 Directors' emoluments

	2000	1999
	£'000	£'000
Aggregate emoluments	35	37

4 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2000	1999
	Number	Number
By activity		
Distribution	15	15
Administration	4	4
	19	19

	2000	1999
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	346	287
Social security costs	28	26
	374	313

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5 Interest payable and similar items

	2000	1999
	£'000	£'000
Interest payable on finance leases	1	16
	1	16

6 Profit on ordinary activities before taxation

	2000	1999
	£'000	£'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets:		
Owned assets	17	21
Leased assets	9	5
Loss on disposal of fixed assets	5	4
Auditors' remuneration:		
Audit	5	5
Other services	1	2
Hire of plant and equipment under operating leases	2	-
Hire of other assets under operating leases	13	13
Foreign exchange currency losses/(gains)	15	(10)

7 Tax on profit on ordinary activities

	2000	1999
	£'000	£'000
Taxation on the profit for the year		
UK corporation tax at 30% (prior year: 31%)		
Current	18	41
Prior period	-	(2)
Deferred tax	-	(9)
	18	30

Bepco (UK) Limited

8 Tangible fixed assets

	Freehold land and buildings	Motor vehicles	Equipment, fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 1999	78	78	103	259
Additions	-	44	10	54
Disposals	-	(24)	(1)	(25)
At 31 March 2000	78	98	112	288
Depreciation				
At 1 April 1999	5	35	94	134
Charge for the year	1	19	6	26
Disposals	-	(14)	-	(14)
At 31 March 2000	6	40	100	146
Net book amount				
At 31 March 2000	72	58	12	142
At 31 March 1999	73	43	9	125

The net book value of tangible fixed assets includes an amount of £14,667 (1999: £22,895) in respect of assets held under finance leases.

Included in freehold land and buildings is land with a cost of £35,200 (1999: £35,200) which is not depreciated.

9 Stocks

	2000	1999
	£'000	£'000
Finished goods and goods for resale	283	340

Bepco (UK) Limited

10 Debtors

	2000	1999
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	530	508
Other debtors	12	2
Prepayments and accrued income	10	16
	552	526

11 Creditors : amounts falling due within one year

	2000	1999
	£'000	£'000
Bank loans and overdrafts	16	24
Obligations under finance leases	13	7
Trade creditors	57	52
Amounts owed to group undertakings	391	524
Corporation tax -- amounts payable for group relief	58	41
Other taxation and social security	15	12
Other creditors and accruals	67	20
	617	680

12 Creditors : amounts falling due after more than one year

	2000	1999
	£'000	£'000
Obligations under finance leases	13	10

The future minimum lease payments to which the company is committed under finance leases is as follows:

Bepco (UK) Limited

	2000	1999
	£'000	£'000
Less than one year	14	8
Between one and two years	9	8
Between two and five years	6	3
	29	19
Less: interest	4	2
	25	17

13 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability, are as follows:

	Amount provided		Amount unprovided	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	-	-	(6)	3
Short term timing differences	-	-	(1)	(9)
	-	-	(7)	(6)

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14 Called up share capital

	2000	1999
	£'000	£'000
Authorised		
301,000 ordinary shares of £1 each	301	301
Allotted, called up and fully paid		
301,000 ordinary shares of £1 each	301	301

15 Profit and loss account

	£'000
At 1 April 1999	-
Retained profit for the financial year	46
At 31 March 2000	46

16 Reconciliation of movements in shareholders' funds

	2000	1999
	£'000	£'000
Opening shareholders' funds	301	294
Profit for financial year	46	7
New share capital issued	-	-
Closing shareholders' funds	347	301

17 Related party disclosures

The company has taken advantage of the exemption available under Financial Reporting Standard No 8 not to disclose transactions with group companies.

18 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Bepco Group Limited, a company registered in England and Wales.

The ultimate undertaking and the company in which the results of the company are consolidated is Tractiv Holdings Limited, a company registered in England and Wales. The consolidated accounts of Tractiv Holdings Limited are available to the public and may be obtained from the registered office of the company.