

**REGISTERED NUMBER: 03404297 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011  
FOR  
TERBERG MATEC UK LIMITED**

FRIDAY



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COMPANIES HOUSE

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for the Year Ended 31 December 2011**

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**TERBERG MATEC UK LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2011**

**DIRECTORS:**

T Conlon  
W Marzano  
G Terberg

**SECRETARY:**

H Geerts

**REGISTERED OFFICE:**

Leacroft Road  
Birchwood  
Warrington  
Cheshire  
WA3 6PJ

**REGISTERED NUMBER:**

03404297 (England and Wales)

**AUDITORS:**

Fairhurst  
Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB

**REPORT OF THE DIRECTORS**  
**for the Year Ended 31 December 2011**

The directors present their report with the financial statements of the company for the year ended 31 December 2011.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the sale of binlifts and recycling vehicles together with after sales servicing and parts.

**REVIEW OF BUSINESS**

The company fits bin lifting equipment to refuse vehicles at its site in Warrington and manufactures bodies and lifting equipment for recycling vehicles at its production facility in Worksop. Both operations are complemented by a parts sale operation and a fleet of mobile service engineers operating throughout the UK.

As expected, the total market for refuse collection and recycling equipment has seen a further decline this year as fleet operators seek economies from extending the service lives of their fleets. However, the company has retained its market share and continues to develop and evolve the product range to meet customers' requirements and enable them to enhance their recycling performance.

We remain confident that we have an infrastructure that will enable us to meet the challenges of a competitive market and continue to trade successfully.

**DIVIDENDS**

Interim dividends per share were paid as follows

£7.50	- 1 August 2011
£7.50	- 17 October 2011
<u>£15.00</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2011 will be £1,500,000.

**FIXED ASSETS**

The movement in tangible fixed assets is shown in note 7.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

T Conlon  
W Marzano  
G Terberg

**REPORT OF THE DIRECTORS**  
for the Year Ended 31 December 2011

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 law) 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable 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 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

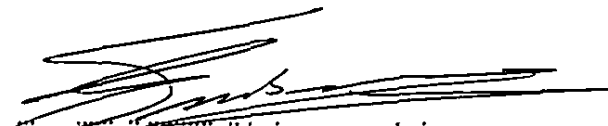
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

The auditors, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



Director - G Terberg

Date 31/05/2012

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TERBERG MATEC UK LIMITED**

We have audited the financial statements of Terberg Matec UK Limited for the year ended 31 December 2011 on pages five to thirteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2011 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 matter 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.

### **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.

*Peter J Cheetham FCA*

Peter J Cheetham FCA (Senior Statutory Auditor)  
for and on behalf of Fairhurst  
Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB

Date 12 June 2012...

**TERBERG MATEC UK LIMITED (REGISTERED NUMBER: 03404297)**

**PROFIT AND LOSS ACCOUNT  
for the Year Ended 31 December 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>		22,453,580	24,140,535
Cost of sales		<u>18,854,372</u>	<u>20,430,241</u>
<b>GROSS PROFIT</b>		3,599,208	3,710,294
Administrative expenses		<u>2,066,548</u>	<u>2,126,364</u>
<b>OPERATING PROFIT</b>	3	1,532,660	1,583,930
Interest receivable and similar income		<u>3,308</u>	<u>30</u>
		1,535,968	1,583,960
Interest payable and similar charges	4	<u>42,740</u>	<u>50,496</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,493,228	1,533,464
Tax on profit on ordinary activities	5	<u>400,122</u>	<u>449,723</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>1,093,106</u></u>	<u><u>1,083,741</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

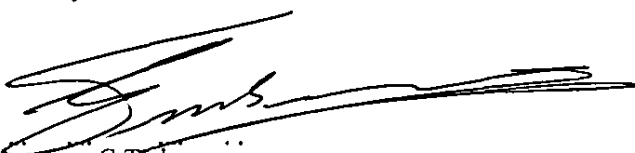
The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	7	1,940,201	2,042,738
<b>CURRENT ASSETS</b>			
Stocks	8	4,025,819	3,293,773
Debtors	9	2,844,574	5,320,989
Cash at bank and in hand		<u>1,971,860</u>	<u>439,646</u>
		8,842,253	9,054,408
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>4,803,977</u>	<u>4,475,205</u>
<b>NET CURRENT ASSETS</b>		<u>4,038,276</u>	<u>4,579,203</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,978,477	6,621,941
<b>PROVISIONS FOR LIABILITIES</b>	14	(238,355)	(485,129)
<b>ACCRUALS AND DEFERRED INCOME</b>	15	<u>(502,123)</u>	<u>(491,919)</u>
<b>NET ASSETS</b>		<u>5,237,999</u>	<u>5,644,893</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	100,000	100,000
Profit and loss account	17	<u>5,137,999</u>	<u>5,544,893</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>5,237,999</u>	<u>5,644,893</u>

The financial statements were approved by the Board of Directors on its behalf by

31/05/2012 and were signed on

  
 Director - G Terberg



**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 December 2011

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

**Turnover**

Turnover represents the net value of goods and services sold, excluding the sale of chassis which are provided under an agency agreement. Sales of extended warranties are recognised over the period of the warranty in line with FRS 5 "Reporting the substance of transactions", as amended by Application Note G.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 2% on cost
Plant and machinery	- 10% to 25% on cost
Motor vehicles	- 20% to 25% on cost
Computer equipment	- 25% to 50% on cost

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Leasing commitments**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

**2 STAFF COSTS**

	2011	2010
	£	£
Wages and salaries	4,373,347	4,104,246
Social security costs	435,800	409,401
Other pension costs	367,388	328,529
	<u>5,176,535</u>	<u>4,842,176</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2011

2 STAFF COSTS - continued

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

	2011	2010
Sales and administration	45	46
Production	<u>112</u>	<u>110</u>
	<u>157</u>	<u>156</u>

3 OPERATING PROFIT

The operating profit is stated after charging:

	2011 £	2010 £
Depreciation - owned assets	221,648	287,387
Auditors' remuneration	<u>13,500</u>	<u>13,425</u>
Directors' remuneration	<u>248,963</u>	<u>250,764</u>

Information regarding the highest paid director is as follows:

	2011 £	2010 £
Emoluments etc	<u>129,923</u>	<u>137,362</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank & other interest	<u>42,740</u>	<u>50,496</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2011 £	2010 £
Current tax		
UK corporation tax	405,868	454,050
Deferred tax	<u>(5,746)</u>	<u>(4,327)</u>
Tax on profit on ordinary activities	<u>400,122</u>	<u>449,723</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2011**

**5 TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>1,493,228</u>	<u>1,533,464</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%)	388,239	429,370
Effects of:		
Expenses not deductible for tax purposes	15,190	16,752
Depreciation for the period in excess of capital allowances	11,460	10,292
Research and Development uplift	(16,576)	(2,364)
Change in rate of taxation	7,555	-
	<u>405,868</u>	<u>454,050</u>
Current tax charge	<u>405,868</u>	<u>454,050</u>

**6 DIVIDENDS**

	2011 £	2010 £
Ordinary shares of £1 each		
Interim	<u>1,500,000</u>	<u>333,000</u>

**7 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2011	2,160,815	1,574,610	272,342	547,533	4,555,300
Additions	-	36,082	103,809	(17,613)	122,278
Disposals	-	(11,094)	(37,420)	(31,790)	(80,304)
At 31 December 2011	<u>2,160,815</u>	<u>1,599,598</u>	<u>338,731</u>	<u>498,130</u>	<u>4,597,274</u>
<b>DEPRECIATION</b>					
At 1 January 2011	467,114	1,452,400	181,054	411,994	2,512,562
Charge for year	41,389	54,351	54,457	71,451	221,648
Eliminated on disposal	-	(11,094)	(34,253)	(31,790)	(77,137)
At 31 December 2011	<u>508,503</u>	<u>1,495,657</u>	<u>201,258</u>	<u>451,655</u>	<u>2,657,073</u>
<b>NET BOOK VALUE</b>					
At 31 December 2011	<u>1,652,312</u>	<u>103,941</u>	<u>137,473</u>	<u>46,475</u>	<u>1,940,201</u>
At 31 December 2010	<u>1,693,701</u>	<u>122,210</u>	<u>91,288</u>	<u>135,539</u>	<u>2,042,738</u>

Included in cost of land and buildings is freehold land of £120,000 (2010 - £120,000) which is not depreciated

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2011**

**8 STOCKS**

	2011	2010
	£	£
Work-in-progress	2,026,526	1,314,241
Parts	<u>1,999,293</u>	<u>1,979,532</u>
	<u><u>4,025,819</u></u>	<u><u>3,293,773</u></u>

**9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Trade debtors	2,576,490	5,041,543
Amounts owed by group undertakings	31,787	27,517
Deferred tax asset	72,129	66,383
Prepayments	<u>164,168</u>	<u>185,546</u>
	<u><u>2,844,574</u></u>	<u><u>5,320,989</u></u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Bank loans and overdrafts (see note 11)	1,963,156	137,038
Trade creditors	817,995	1,114,911
Tax	123,990	88,245
Social security and other taxes	508,247	960,063
Amounts owed to Group undertakings	1,175,795	1,764,631
Accrued expenses	<u>214,794</u>	<u>410,317</u>
	<u><u>4,803,977</u></u>	<u><u>4,475,205</u></u>

**11 LOANS**

An analysis of the maturity of loans is given below:

	2011	2010
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>1,963,156</u>	<u>137,038</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2011

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2011 £	2010 £	2011 £	2010 £
Expiring				
Within one year	-	-	14,238	57,510
Between one and five years	-	-	172,711	105,150
In more than five years	<u>119,511</u>	<u>119,511</u>	-	-
	<u>119,511</u>	<u>119,511</u>	<u>186,949</u>	<u>162,660</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	2011 £	2010 £
Bank overdrafts	<u>1,963,156</u>	<u>137,038</u>

Any bank indebtedness with HSBC plc is secured by a debenture dated 7 August 2002 and a legal charge over the assets of the company. The company is party to a cross guarantee with the other companies in the Terberg Group in respect of the Van Lanschot Bank.

14 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Other provisions		
Product warranty	<u>238,355</u>	<u>485,129</u>
	Deferred tax £	Product warranty £
Balance at 1 January 2011	(66,383)	485,129
Depreciation in excess of capital allowances	(5,746)	-
Net additional warranty required		
Reduction in warranty provision required	-	(246,774)
Balance at 31 December 2011	<u>(72,129)</u>	<u>238,355</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2011

14 PROVISIONS FOR LIABILITIES - continued

The deferred tax asset is shown within Debtors in note 9 above. Product warranty is retained within the Provision for liabilities.

The provision for product warranties relates to the expected warranty claims on products sold in the last 12 months. This expenditure will be incurred in the next financial year. During the year the provision calculation was changed to give a truer reflection of the timing of the warranty costs in comparison to the life of the warranty. The change in estimation technique has had a material impact on the profit for the year, as the provision has decreased by £229,000.

15 ACCRUALS AND DEFERRED INCOME

	2011 £	2010 £
Accruals and deferred income	<u>502,123</u>	<u>491,919</u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2011 £	2010 £
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>

17. RESERVES

	Profit and loss account £
At 1 January 2011	5,544,893
Profit for the year	1,093,106
Dividends	<u>(1,500,000)</u>
At 31 December 2011	<u>5,137,999</u>

18 ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Terberg Group BV, which is incorporated in the Netherlands.

The largest group in which the results of the company are consolidated is that headed by Terberg Group BV. No other group financial statements include the results of the company.

Copies of the financial statements of Terberg Group BV are available from Newtonstraat 2, 3401 JA IJsselstein, Netherlands.

19. RELATED PARTY DISCLOSURES

The company is wholly owned by its parent company and its results are consolidated into the parent company's financial statements, which are publicly available. The directors have relied upon the exemptions conferred by Financial Reporting Standard Number 8 from disclosing transactions with its parent company.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 December 2011

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	1,093,106	1,083,741
Dividends	<u>(1,500,000)</u>	<u>(333,000)</u>
Net (reduction)/addition to shareholders' funds	(406,894)	750,741
Opening shareholders' funds	<u>5,644,893</u>	<u>4,894,152</u>
Closing shareholders' funds	<u>5,237,999</u>	<u>5,644,893</u>