
BETA SERVICES (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

THURSDAY



L5MCE0A1

LD2

22/12/2016

#102

COMPANIES HOUSE

BETA SERVICES (UK) LIMITED

COMPANY INFORMATION

Directors	S A Soper G Wilson I M Wilson
Registered number	03512997
Registered office	Unit 2 Quebec Wharf 14 Thomas Road London E14 7AF
Independent auditors	Barnes Roffe LLP Chartered Accountants 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

BETA SERVICES (UK) LIMITED

CONTENTS

	Page
Group strategic report	1 - 3
Directors' report	4 - 5
Independent auditors' report	6 - 7
Consolidated income statement	8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of changes in equity	12 - 13
Company statement of changes in equity	14 - 15
Consolidated Statement of cash flows	16
Notes to the financial statements	17 - 35

BETA SERVICES (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The principal activity of the company during the year was that of a holding company.

The principal activity of the Group during the year was the supply and maintenance of office equipment. The whole of the turnover of the Group during the year was attributable to this activity.

Business review and future developments

I am pleased to announce another year of sales growth across the group. Sales of £166.3m was up by £1.4m on the previous year and although lower than expectation this still represents another successful year.

Notable achievements this year are firstly the completion of our first full trading year of our European subsidiary, Beta B.V. Now operating out of a new distribution centre in Holland we have a truly Pan European platform from which we will see significant levels of sales growth for a number of years to come. Our focus will now move to establishing sales offices in each of the key countries so that we have a European business to rival the UK in both size and structure.

Secondly, our increase in sales in key technology sectors has further diversified our business and leaves us in a strong position from which to leverage further growth as we enter 2017 and beyond. For the first time this sector contributes more than 50% of our overall sales which, in an environment where people are printing less and margins are under pressure is a very pleasing statistic. Our aim is to become the leading storage based distributor in the UK within the next two years and I see no reason based upon our performance and placement in the market to change that view.

We have also successfully negotiated significantly increased financing facilities which will enable the group to continue to take advantage of the numerous opportunities that will no doubt arise in this next period of growth for the group.

With the above in mind, we enter 2017 with even more to be positive about than in previous years and I look forward to reflecting on that continued success in my report next year.

Finally, and in keeping with previous years, I would like to extend a huge thank you to the Board of Directors and staff for their commitment and hard work that enable all of the above to be achieved.

BETA SERVICES (UK) LIMITED

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Principal risks and uncertainties

Margin Erosion

In a highly competitive environment and with the ever increasing influence of the internet, prices are coming under increasing scrutiny, and we recognise that we need to continue to buy aggressively and minimise overheads in order to report a continued growth in profitability.

Customer Base

In an industry where more and more of our competitors are setting up a direct side to their business we remain confident that by keeping by our principles of selling only to trade customers we will be seen as a welcome alternative. However we must continue to add diversity to our business in order to maximise opportunities in a shrinking market.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts, swaps and options to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of bank overdraft and invoice discounting short-term debt finance.

BETA SERVICES (UK) LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Financial key performance indicators

The directors have monitored the progress of the group's strategy by reference to certain financial key performance indicators as follows:

The group's turnover for the financial year was £166,332,587 (2015 - £164,887,622) an increase of 1 %.
The group's gross profit margin was 9% (2015 - 9%)

This report was approved by the board on *21st December 2016* and signed on its behalf.



S A Soper
Director

BETA SERVICES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' 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 the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The profit for the year, after taxation, amounted to £943,717 (2015 - £1,263,311).

Directors

The directors who served during the year were:

S A Soper
G Wilson
I M Wilson

Donations

During the year the group made charitable donations of £1,150 (2015 - £1,346).

Disabled employees

The policy of the group is to offer the same opportunities to disabled people as to all others in respect of recruitment and career advancement provided their disability does not prevent them from carrying out their duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and retrained.

BETA SERVICES (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

Future Developments

Future developments are disclosed in the Group Strategic Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21st December 2016 and signed on its behalf.



S A Soper
Director

BETA SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BETA SERVICES (UK) LIMITED

We have audited the financial statements of Beta Services (UK) Limited for the year ended 31 March 2016, set out on pages 8 to 35. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' 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, 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 Financial Reporting Council'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 Group's and the parent 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 group strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 Group's and the parent Company's affairs as at 31 March 2016 and of the Group's 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

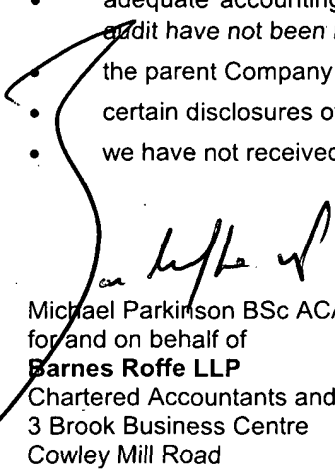
BETA SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BETA SERVICES (UK) LIMITED

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.


Michael Parkinson BSc ACA (senior statutory auditor)
for and on behalf of

Barnes Roffe LLP

Chartered Accountants and Statutory Auditors

3 Brook Business Centre

Cowley Mill Road

Uxbridge

Middlesex

UB8 2FX

Date: 22-12-16

BETA SERVICES (UK) LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

		2016 £	2015 £
Turnover	3	166,332,587	164,887,622
Cost of sales		(151,616,941)	(150,674,434)
Gross profit		14,715,646	14,213,188
Distribution costs		(4,827,497)	(5,266,449)
Administrative expenses		(7,923,678)	(6,749,766)
Other operating income	4	6,261	7,828
Operating profit	5	1,970,732	2,204,801
Interest receivable and similar income	9	-	4
Interest payable and expenses	10	(752,015)	(586,734)
Profit before tax		1,218,717	1,618,071
Tax on profit	11	(275,000)	(354,760)
Profit for the year		943,717	1,263,311
Profit for the year attributable to:			
Owners of the parent		943,717	1,263,311

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated income statement.

The notes on pages 17 to 35 form part of these financial statements.

BETA SERVICES (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

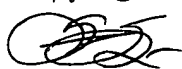
	Note	2016 £	2015 £
Profit for the financial year		943,717	1,263,311
Total comprehensive income for the year		<u>943,717</u>	<u>1,263,311</u>
Profit for the year attributable to:			
Owners of the parent Company		943,717	1,263,311
		<u>943,717</u>	<u>1,263,311</u>
Total comprehensive income attributable to:			
Owners of the parent Company		943,717	1,263,311
		<u>943,717</u>	<u>1,263,311</u>

BETA SERVICES (UK) LIMITED
REGISTERED NUMBER: 03512997

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	15	742,801	547,616
		<u>742,801</u>	<u>547,616</u>
Current assets			
Stocks	17	18,011,890	17,893,404
Debtors	18	44,921,311	36,673,189
Cash at bank and in hand	19	1,830,702	2,627,460
		<u>64,763,903</u>	<u>57,194,053</u>
Creditors: amounts falling due within one year	20	(56,016,712)	(49,195,394)
Net current assets		<u>8,747,191</u>	<u>7,998,659</u>
Total assets less current liabilities		<u>9,489,992</u>	<u>8,546,275</u>
Provisions for liabilities			
Deferred taxation	22	(69,630)	(69,630)
		<u>(69,630)</u>	<u>(69,630)</u>
Net assets		<u><u>9,420,362</u></u>	<u><u>8,476,645</u></u>
Capital and reserves			
Called up share capital	23	133	133
Profit and loss account	24	9,394,629	8,450,912
Equity attributable to owners of the parent Company		<u>9,394,762</u>	<u>8,451,045</u>
Non-controlling interests		25,600	25,600
Total equity		<u><u>9,420,362</u></u>	<u><u>8,476,645</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21st December 2016



S A Soper
Director

The notes on pages 17 to 35 form part of these financial statements.

BETA SERVICES (UK) LIMITED
REGISTERED NUMBER: 03512997

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	16	225,000	225,000
		<u>225,000</u>	<u>225,000</u>
Current assets			
Debtors	18	506,965	127,193
Cash at bank and in hand	19	33	33
		<u>506,998</u>	<u>127,226</u>
Creditors: amounts falling due within one year	20	(685,368)	(305,596)
Net current liabilities		<u>(178,370)</u>	<u>(178,370)</u>
Total assets less current liabilities		<u>46,630</u>	<u>46,630</u>
Net assets		<u>46,630</u>	<u>46,630</u>
Capital and reserves			
Called up share capital	23	133	133
Profit and loss account	24	46,497	46,497
Total equity		<u>46,630</u>	<u>46,630</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
21st December 2016



S A Soper
Director

The notes on pages 17 to 35 form part of these financial statements.

BETA SERVICES (UK) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £	Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2015	133	8,450,912	8,451,045	25,600	8,476,645
Comprehensive income for the year					
Profit for the year	-	943,717	943,717	-	943,717
	-	-	-	-	-
Total comprehensive income for the year	-	943,717	943,717	-	943,717
Total transactions with owners	-	-	-	-	-
At 31 March 2016	133	9,394,629	9,394,762	25,600	9,420,362

BETA SERVICES (UK) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Share capital £	Retained earnings £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
At 1 April 2014	133	8,787,601	8,787,734	25,600	8,813,334
Comprehensive income for the year					
Profit for the year	-	1,263,311	1,263,311	-	1,263,311
Total comprehensive income for the year	-	1,263,311	1,263,311	-	1,263,311
Dividends: Equity capital	-	(1,600,000)	(1,600,000)	-	(1,600,000)
Total transactions with owners	-	(1,600,000)	(1,600,000)	-	(1,600,000)
At 31 March 2015	133	8,450,912	8,451,045	25,600	8,476,645

The notes on pages 17 to 35 form part of these financial statements.

BETA SERVICES (UK) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	133	46,497	46,630
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 March 2016	133	46,497	46,630

BETA SERVICES (UK) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	133	46,497	46,630
Comprehensive income for the year			
Profit for the year	-	1,600,000	1,600,000
	-	1,600,000	1,600,000
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,600,000)	(1,600,000)
	-	(1,600,000)	(1,600,000)
Total transactions with owners			
At 31 March 2015	133	46,497	46,630

The notes on pages 17 to 35 form part of these financial statements.

BETA SERVICES (UK) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	943,717	1,263,311
Adjustments for:		
Depreciation of tangible assets	154,201	92,820
Profit on disposal of tangible assets	(1,527)	-
Increase in stocks	(118,486)	(4,402,175)
Interest paid	752,015	586,734
Interest received	-	(4)
Taxation	275,000	354,760
Increase in debtors	(8,248,122)	(5,506,762)
Increase in creditors	3,817,744	4,055,962
Corporation tax paid	-	(566,730)
Net cash used in operating activities	(2,425,458)	(4,122,084)
Cash flows from investing activities		
Purchase of tangible fixed assets	(405,753)	(264,796)
Sale of tangible fixed assets	57,894	-
Interest (paid)/ received	-	4
HP interest paid	-	(341)
Net cash used in investing activities	(347,859)	(265,133)
Cash flows from financing activities		
Repayment of finance leases	-	(2,794)
Dividends paid	-	(1,600,000)
Interest paid	(752,015)	(586,393)
Net cash used in financing activities	(752,015)	(2,189,187)
Net decrease in cash and cash equivalents	(3,525,332)	(6,576,404)
Cash and cash equivalents at beginning of year	(23,806,173)	(17,229,769)
Cash and cash equivalents at the end of year	(27,331,505)	(23,806,173)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,830,702	2,627,460
Bank overdrafts	(29,162,207)	(26,433,633)
	(27,331,505)	(23,806,173)

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

Beta Services (UK) Limited is a limited company incorporated in England and Wales. The address of the registered office is Unit 2 Quebec Wharf, 14 Thomas Road, London, E14 7AF.

The Group specialises in supply and maintenance of office equipment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and on the assumption that the group is a going concern.

These financial statement for the year ended 31 March 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 April 2014. Information on the impact of first time adoption of FRS 102 is given in note 30.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

2.3 Going concern

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the consolidated financial statements.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is recognised at the point when goods and services are received by customers.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25% straight line
Fixtures & fittings	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Income Statement.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2.7 Valuation of investments

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables,

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.11 Financial instruments (continued)

are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in the income statement using the effective interest method.

2.18 Invoice discounting

The company discounts its trade debts. The accounting policy is to include trade debtors within one year and the returnable element of the proceeds within current liabilities. Discounting charges and interest are charged to the profit and loss account when paid. Bad debts are borne by the company and are charged to the profit and loss account when incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the income statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Analysis of turnover

The whole of the turnover derived from external customers is attributable to its one principal activity being the supply and maintenance of office equipment.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	140,841,975	155,812,250
Rest of Europe	25,490,612	9,075,372
	<u>166,332,587</u>	<u>164,887,622</u>

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. Other operating income

	2016 £	2015 £
Insurance claims receivable	6,261	7,828
	<u>6,261</u>	<u>7,828</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	154,201	92,820
Fees payable to the Group's auditor and its associates for the audit of the Group and Company's annual financial statements	12,050	12,050
Exchange differences	10	(8,369)
Other operating lease rentals	133,146	123,719
Defined contribution pension cost	-	91,356
	<u>-</u>	<u>91,356</u>

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of the Group pursuant to legislation	12,050	12,050
The auditing of accounts of the subsidiaries pursuant to legislation	18,500	17,500
Fees payable to the Group's auditor for non-audit services	20,060	9,198
	<u>50,610</u>	<u>38,748</u>

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	327,017	4,348,100
Social security costs	27,145	539,753
Cost of defined pension contribution scheme	-	91,356
	<u>354,162</u>	<u>4,979,209</u>

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

	2016 No.	2015 No.
Sales staff	3	47
Administrative staff	3	39
Management staff	-	7
	<u>6</u>	<u>93</u>

On 1 April 2015 the employees of Beta Distribution Plc were transferred to Beta Distribution Employee Services LLP. Management charges are paid to Beta Distribution Employee Services LLP and transactions with this entity are contained in the related party note 28. The remaining staff costs and employees relate to the subsidiary Beta Distribution B.V.

8. Directors' remuneration

	2016 £	2015 £
Remuneration	-	373,046
Company contributions to defined contribution pension schemes	-	12,000
	<u>-</u>	<u>385,046</u>

The highest paid director received remuneration of £NIL (2015 - £278,745). The directors are also members of Beta Distribution Employee Services LLP. It is not possible to quantify the level of service charge paid to the LLP which relates specifically to making available the services of the LLP members who are also directors of the company.

During the year retirement benefits were accruing to no directors (2015 - 3) in respect of defined contribution pension schemes.

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9. Interest receivable

	2016 £	2015 £
Other interest receivable	-	4
	<u>-</u>	<u>4</u>

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	746,029	586,393
Other loan interest payable	5,986	-
Finance leases and hire purchase contracts	-	341
	<u>752,015</u>	<u>586,734</u>

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	275,000	315,000
	<u>275,000</u>	<u>315,000</u>
Total current tax	<u>275,000</u>	<u>315,000</u>
Deferred tax		
Origination and reversal of timing differences	-	39,760
Total deferred tax	<u>-</u>	<u>39,760</u>
Taxation on profit on ordinary activities	<u>275,000</u>	<u>354,760</u>

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,218,717</u>	<u>1,618,071</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	243,743	349,545
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	31,257	5,640
Capital allowances for year in excess of depreciation	-	(40,177)
Origination and reversal of timing differences	-	39,760
Marginal relief	-	(8)
Total tax charge for the year	<u>275,000</u>	<u>354,760</u>

Factors that may affect future tax charges

There were no material factors that may affect future tax charges.

12. Dividends

	2016 £	2015 £
Dividends paid on equity capital	-	1,600,000
	<u>-</u>	<u>1,600,000</u>
S Soper had an interest in dividends of £Nil (2015 - £396,993) G Wilson had an interest in dividends of £Nil (2015 - £1,203,007)		

13. Non-controlling interests

In prior periods, 2,560,000 E shares of £0.01 were issued by the subsidiary, Beta Distribution Plc. The amount of £25,600 paid for these shares is repayable to the holders of these shares in the event of a winding up. Accordingly, an amount of £25,600 (2015 - £25,600) is reflected in these financial statements as a non-controlling interest.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. Parent Company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The profit after tax of the parent Company for the year was £Nil (2015 - £1,600,000).

15. Tangible fixed assets

Group

	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2015	195,341	796,365	991,706
Additions	132,267	273,486	405,753
Disposals	(89,761)	-	(89,761)
At 31 March 2016	237,847	1,069,851	1,307,698
Depreciation			
At 1 April 2015	82,937	361,153	444,090
Charge owned for the period	32,264	121,937	154,201
Disposals	(33,394)	-	(33,394)
At 31 March 2016	81,807	483,090	564,897
Net book value			
At 31 March 2016	156,040	586,761	742,801
At 31 March 2015	112,404	435,212	547,616

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

16. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Beta Distribution PLC	England & Wales	Ordinary	100 %	Supply and maintenance of office equipment
Beta Distribution B.V.	Netherlands	Ordinary	100 %	Supply and maintenance of office equipment

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Beta Distribution PLC	9,390,971	689,526
Beta Distribution B.V.	227,761	254,191
	<u>225,000</u>	<u>225,000</u>

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2015	225,000
At 31 March 2016	<u>225,000</u>
Net book value	
At 31 March 2016	225,000
At 31 March 2015	<u>225,000</u>

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

17. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Goods for resale	18,011,890	17,893,404	-	-
	<u>18,011,890</u>	<u>17,893,404</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	37,539,822	33,450,413	-	-
Other debtors	4,168,214	604,303	506,965	127,193
Prepayments and accrued income	3,213,275	2,618,473	-	-
	<u>44,921,311</u>	<u>36,673,189</u>	<u>506,965</u>	<u>127,193</u>

Trade debtors includes £1,105,780 (2015: £1,615,085) falling due after more than one year.

19. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	1,830,702	2,627,460	33	33
Less: bank overdrafts	(29,162,207)	(26,433,633)	-	-
	<u>(27,331,505)</u>	<u>(23,806,173)</u>	<u>33</u>	<u>33</u>

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

20. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts and invoice discounting	29,162,207	26,433,633	-	-
Trade creditors	23,903,900	20,006,703	-	-
Amounts owed to group undertakings	-	-	685,368	80,696
Corporation tax	683,905	93,989	-	-
Taxation and social security	488,940	785,617	-	-
Other creditors	286,133	1,303,317	-	224,900
Accruals and deferred income	1,491,627	572,135	-	-
	<u>56,016,712</u>	<u>49,195,394</u>	<u>685,368</u>	<u>305,596</u>

The bank facilities are secured by a debenture dated 22 July 2008 given to the company's bankers. Security is in the form of a charge over all present and future assets of the company.

The invoice discounting facility is secured against the respective trade debtor balances against which amounts have been advanced.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Cash and cash equivalents	1,830,702	2,627,460	33	33
Financial assets that are debt instruments measured at amortised cost	41,708,036	34,054,716	506,965	127,193
	<u>43,538,738</u>	<u>36,682,176</u>	<u>506,998</u>	<u>127,226</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(53,352,240)	(47,743,653)	(685,368)	(305,596)
	<u>(53,352,240)</u>	<u>(47,743,653)</u>	<u>(685,368)</u>	<u>(305,596)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial Liabilities measured at amortised cost comprise bank loan, invoice discounting, trade creditors, other creditors and amounts owed to group undertakings.

The Group purchases stock in both Euros and US Dollars and makes sales in Euros. It therefore enters into foreign exchange derivative contracts in order to mitigate the exchange rate risk arising on these transactions. As explained in the accounting policies, the Group does not currently apply hedge accounting. At 31 March 2016, the Group had various forward foreign exchange derivatives, comprising swaps, options and forward contracts, maturing between one month and twenty months after the year end. The Group was committed to the following forward foreign currency transactions:

At 31 March 2016

Purchase of €39m maturing within one and two months.

Purchase of US\$8m maturing within one month.

Sale of €106m maturing within one and twenty months.

At 31 March 2015

Purchase of €29m maturing within one and three months.

Purchase of US\$6.32m maturing within one month.

Sale of €9.9m maturing within two months.

The directors have hedged these committed foreign currency transactions by the use of foreign currency options. Having reviewed the fair value of both the committed contracts and the fair value of the options, they have determined that the net fair value of all foreign currency derivatives is not material. The fair value of the derivatives is therefore not included in the financial statements.

BETA SERVICES (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

22. Deferred taxation

Group

	Deferred tax £
At 1 April 2015	(69,630)
At 31 March 2016	(69,630)

	Group 2016 £	Group 2015 £
Accelerated capital allowances	(69,630)	(69,630)
	(69,630)	(69,630)

23. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
33 Ordinary A shares of £1 each	33	33
	133	133

The Ordinary shares and A Ordinary shares are irredeemable and in aggregate constitute 75% and 25% of the total voting rights of the company respectively.

Dividends, which are not guaranteed, are distributed on a pro rata basis according to the number of shares held as if both the Ordinary shares and A Ordinary shares constituted one class of share.

On a return of capital, the assets of the company remaining after payment of its liabilities shall be applied to the Ordinary shares and A Ordinary shares on a pro rata basis based on the voting rights listed above.

24. Reserves

Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

25. Pension commitments

The company has operated a defined contribution scheme during the year. The assets of the scheme are held separately from those of the company in an independently administered fund. The total contributions amounted to £Nil (2015 - £91,356).

26. Commitments under operating leases

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Land & building		
Within one year	147,255	147,255
Between one and five years	589,020	589,020
Later than 5 years	650,428	797,680
Total	1,386,703	1,533,955

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other				
Within one year	5,433	8,983	-	-
Between one and five years	8,603	2,717	-	-
Total	14,036	11,700	-	-

27. Transactions with directors

Included within other debtors is an amount outstanding from S Soper, a director, of £310,597 (2015 - £Nil). The maximum amount outstanding during the year was £320,675.

Included within other debtors is an amount outstanding from G Wilson, a director, of £149,872 (2015 - £Nil). The maximum amount outstanding during the year was £149,872.

No interest is charged on these balances and both loans were repaid after the year end.

BETA SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

28. Related party transactions

Included within other creditors are amounts which Beta Distribution Plc owed to Beta Export Partnership, a related party due to common control, totalling £50,931 (2015 - £85,664) owed by Beta Export Partnership)

At the year end the company owed £Nil (2015 - £24,658) to S Soper, a director.

At the year end the company owed £Nil (2015 - £967,180) to G Wilson, a director.

During the year Beta Distribution Plc was charged £5,736,119 (2015: Nil) by Beta Distribution Employee Services LLP, an LLP in which the directors are members, for the provision of human resources and management services. At the year end, Beta Distribution Plc owed £212,996 (2015 - £Nil) to Beta Distribution Employee Services LLP.

During the year, Beta Distribution Plc invoiced Beta Distribution Employee Services LLP £5,238,298 (2015 - £Nil) in respect of expenses incurred on behalf of the LLP.

The company has taken advantage of the exemption provided by FRS 102 from the requirement to disclose transactions or balances between wholly owned members of the group.

Total remuneration of key management during the year was £Nil (2015 - £803,028)

29. Controlling party

The ultimate controlling party is G Wilson, the director, throughout the current and previous year.

30. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.