

Registration number 06757157

Agriargo UK Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2012

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Agriargo UK Limited
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Agriargo UK Limited
Company Information

Directors	S J Beauchamp R P Spinks
Registered office	Unit D3 Harworth Industrial Estate Bryans Close Harworth Doncaster DN11 8RY
Bankers	Royal Bank of Scotland 15 St Sepulchre Gate Doncaster DN1 1TF
Auditors	Hawsons Chartered Accountants and Statutory Auditors 5 Sidings Court White Rose Way Doncaster DN4 5NU

Agriargo UK Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

S J Beauchamp

R P Spinks

Principal activity

The principal activity of the company is the distribution throughout the UK of agricultural and ground care tractors and service parts via a dealer network

Business review

Fair review of the business

The results for the company show a pre tax profit of £66,000 (2011 profit of £145,000) and turnover of £20,433,000 (2011 £19,146,000) for the period. The company has net liabilities of £877,000 (2011 £943,000)

The directors do not recommend the payment of a dividend

The directors measure the performance and development of the company through the use of certain key performance indicators. These include

The company's key financial and other performance indicators during the year were as follows

	Unit	2012	2011
Market Share	%	4	4
Gross profit margin	%	9	10
Profit/(loss) on ordinary activities before investment income and interest	£ 000	213	295

The company's financial results for 2012 were, in the opinion of the directors, a satisfactory performance with a comparable gross profit margin % and operating profit compared with 2011

The company is continually working to increase its sales and market share position by

- a) Working with its principal supplier to bring product developments to the market place
- b) Improving the quality of its dealer network
- c) Enhancing after sales technical support
- d) Fully optimising the company's inventory and receivable levels

Principal risks and uncertainties

The company operates in a highly competitive market which can be affected by a range of both domestic and international factors such as EU farm subsidies, government policies, world commodity markets, farm incomes and land values

Agriargo UK Limited

Directors' Report for the Year Ended 31 December 2012

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Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hawsons Chartered Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Approved by the Board on 31/5/13 and signed on its behalf by



S J Beauchamp
Director

Agriargo UK Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Agriargo UK Limited

We have audited the financial statements of Agriargo UK Limited for the year ended 31 December 2012, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Directors' Report 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 the 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 2012 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Agriargo UK Limited**

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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



Richard Marsh (Senior Statutory Auditor)
For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

5 Sidings Court
White Rose Way
Doncaster
DN4 5NU

Date **21 May 2013** .

Agriargo UK Limited
Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £ 000	2011 £ 000
Turnover	2	20,433	19,146
Cost of sales		<u>(18,538)</u>	<u>(17,181)</u>
Gross profit		1,895	1,965
Distribution costs		(1,134)	(1,138)
Administrative expenses		<u>(548)</u>	<u>(532)</u>
Operating profit	3	213	295
Other interest receivable and similar income	6	1	-
Interest payable and similar charges	7	<u>(148)</u>	<u>(150)</u>
Profit on ordinary activities before taxation		<u>66</u>	<u>145</u>
Profit for the financial year	14	<u>66</u>	<u>145</u>

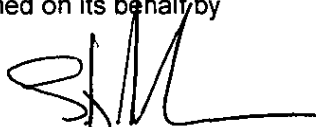
Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

Agriargo UK Limited
(Registration number: 06757157)
Balance Sheet at 31 December 2012

	Note	2012 £ 000	2011 £ 000
Fixed assets			
Tangible fixed assets	9	<u>47</u>	<u>44</u>
Current assets			
Stocks	10	5,228	3,974
Debtors	11	2,397	2,155
Cash at bank and in hand		<u>675</u>	<u>398</u>
		8,300	6,527
Creditors Amounts falling due within one year	12	<u>(9,224)</u>	<u>(7,514)</u>
Net current liabilities		<u>(924)</u>	<u>(987)</u>
Net liabilities		<u>(877)</u>	<u>(943)</u>
Capital and reserves			
Profit and loss account	14	<u>(877)</u>	<u>(943)</u>

These financial statements were approved and authorised for issue by the Board on 31/5/13 and signed on its behalf by



S J Beauchamp
Director

Agriargo UK Limited
Cash Flow Statement for the Year Ended 31 December 2012

	Note	2012 £ 000	2011 £ 000
Net cash inflow from operating activities	18	<u>433</u>	<u>212</u>
Returns on investments and servicing of finance			
Interest received		1	-
Interest paid		<u>(148)</u>	<u>(150)</u>
		(147)	(150)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		<u>(9)</u>	<u>(4)</u>
Net cash inflow before management of liquid resources and financing		277	58
Financing			
Repayment of capital element of finance leases and HP contracts		<u>-</u>	<u>(111)</u>
Increase/(decrease) in cash	19	<u>277</u>	<u>(53)</u>
Reconciliation of net cash flow to movement in net debt			
	Note	2012 £ 000	2011 £ 000
Increase/(decrease) in cash		277	(53)
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>-</u>	<u>111</u>
Change in net debt resulting from cash flows	19	<u>277</u>	<u>58</u>
Movement in net debt	19	277	58
Net funds at 1 January	19	<u>398</u>	<u>340</u>
Net funds at 31 December	19	<u>675</u>	<u>398</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis. The company made a profit of £0.066 million for the year but at 31 December 2012 had net current liabilities of £0.924 million and net liabilities of £0.877 million.

The directors believe that the going concern basis is appropriate because financial support is provided to the company by its principal supplier in the form of trade finance loans and this support will continue for the foreseeable future.

Based on a review of the company's financial forecasts, the directors believe that the financial support available from the company's principal supplier will be adequate for the foreseeable future.

Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Short leasehold building improvements	10% straight line
Plant and machinery	10% straight line

Stock

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

Cost incurred in bringing each product to its present location and condition is based on, cost of direct materials and labour, plus a proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Deferred tax

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

During the year 56% of the company's turnover related to exports (2011 - 27%)

An analysis of turnover by geographical location is given below

	2012 £ 000	2011 £ 000
Sales - UK	20,318	19,095
Sales - Europe	112	47
Sales - Rest of world	3	4
	<u>20,433</u>	<u>19,146</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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3 Operating profit

Operating profit is stated after charging

	2012	2011
	£ 000	£ 000
Operating leases - plant and machinery	45	40
Operating leases - other assets	160	147
Auditor's remuneration - audit fees	15	15
Foreign currency gains	(14)	(31)
Depreciation of owned assets	<u>6</u>	<u>5</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2012 No.	2011 No.
Administration and support	17	17
Sales, marketing and distribution	9	9
	<u>26</u>	<u>26</u>

The aggregate payroll costs were as follows

	2012 £ 000	2011 £ 000
Wages and salaries	840	849
Social security costs	93	91
Staff pensions	45	46
	<u>978</u>	<u>986</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £ 000	2011 £ 000
Remuneration (including benefits in kind)	145	141
Company contributions paid to money purchase schemes	10	10

During the year the number of directors who were accruing benefits and share incentives was as follows

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	2	2

6 Other interest receivable and similar income

	2012 £ 000	2011 £ 000
Bank interest receivable	1	-

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

7 Interest payable and similar charges

	2012	2011
	£ 000	£ 000
Other interest payable	148	150
	<u>148</u>	<u>150</u>

8 Taxation

Tax on profit on ordinary activities

Tax on profit on ordinary activities for the year is £nil (2011 £nil)

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)

The differences are reconciled below

	2012	2011
	£ 000	£ 000
Profit on ordinary activities before taxation	66	145
Corporation tax at standard rate	16	38
Capital allowances in excess of depreciation	-	1
Non-taxable income less expenses not deductible for tax purposes	6	2
Utilisation of tax losses	(22)	(41)
Total current tax	<u>-</u>	<u>-</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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9 Tangible fixed assets

	Short leasehold land and buildings £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation			
At 1 January 2012	21	36	57
Additions	6	3	9
At 31 December 2012	27	39	66
Depreciation			
At 1 January 2012	5	8	13
Charge for the year	2	4	6
At 31 December 2012	7	12	19
Net book value			
At 31 December 2012	20	27	47
At 31 December 2011	16	28	44

10 Stocks

	2012 £ 000	2011 £ 000
Finished goods	5,228	3,974

11 Debtors

	2012 £ 000	2011 £ 000
Trade debtors	2,227	1,923
Other debtors	91	113
Prepayments and accrued income	79	119
	2,397	2,155

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

12 Creditors: Amounts falling due within one year

	2012	2011
	£ 000	£ 000
Trade creditors	7,640	6,221
Other taxes and social security	461	490
Accruals and deferred income	1,123	803
	<u>9,224</u>	<u>7,514</u>

13 Share capital

Share capital consists of 2 allotted, called up and fully paid shares of £1 each

14 Reserves

	Profit and loss account £ 000	Total £ 000
At 1 January 2012	(943)	(943)
Profit for the year	<u>66</u>	<u>66</u>
At 31 December 2012	<u>(877)</u>	<u>(877)</u>

15 Reconciliation of movement in shareholders' funds

	2012	2011
	£ 000	£ 000
Profit attributable to the members of the company	<u>66</u>	<u>145</u>
Net addition to shareholders' funds	66	145
Shareholders' deficit at 1 January	<u>(943)</u>	<u>(1,088)</u>
Shareholders' deficit at 31 December	<u>(877)</u>	<u>(943)</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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16 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £45,125 (2011 £46,262). Contributions totalling £5,973 (2011 £5,883) were payable to the scheme at the end of the period and are included in creditors.

17 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire

	2012 £ 000	2011 £ 000
Land and buildings		
Over five years	<u>125</u>	<u>120</u>
Other		
Within one year	32	-
Within two and five years	<u>55</u>	<u>77</u>
	<u>87</u>	<u>77</u>

18 Reconciliation of operating profit to operating cash flows

	2012 £ 000	2011 £ 000
Operating profit	213	295
Depreciation, amortisation and impairment charges	6	5
(Increase)/decrease in stocks	(1,254)	2,144
(Increase)/decrease in debtors	(242)	230
Increase/(decrease) in creditors	<u>1,710</u>	<u>(2,462)</u>
Net cash inflow from operating activities	<u>433</u>	<u>212</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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19 Analysis of net debt

	At 1 January 2012 £ 000	Cash flow £ 000	At 31 December 2012 £ 000
Cash at bank and in hand	398	277	675
Net funds	<u>398</u>	<u>277</u>	<u>675</u>

20 Control

The company is controlled by the directors who own 100% of the called up share capital