

Agriargo UK Limited
Financial Statements for the period 24th November 2008 to 31st December 2009
Company Number: 6757157

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COMPANIES HOUSE

Registered Office

Unit D3 Harworth Industrial Estate
Bryans Close
Harworth
Doncaster
DN11 8RY

Directors

S J Beauchamp
R P Spinks

Statutory Auditors

Hawsons
5 Sidings Court
White Rose Way
Doncaster
DN4 5NU

Bankers

HSBC Bank Plc
1 High Steet
Doncaster
DN1 1EE

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Agriargo UK Limited
Directors' Report
for the period ended 31st December 2009

The directors present their annual report on the affairs of the company together with the audited financial statements for the period ended 31st December 2009

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to ,

- select suitable accounting policies and apply them consistently,
- make judgements and 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 a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Business review and principal activities

The company was incorporated on 24th November 2008, and commenced trading on 8th January 2009.

The principal activity of the company is the importation and sale of agricultural tractors and service parts.

The results for the company show a pre tax loss of £1,270,000 for the period and turnover of £23,662,000. The company has net liabilities of £1,270,000.

The directors do not recommend the payment of a dividend.

Business environment

The company was formed to take over the distribution of McCormick and Landini tractors in the UK.

Agriargo UK Limited
Directors' Report (continued)
for the period ended 31st December 2009

Strategy

The strategic development of the company is centred on

Increasing market share through improving the quality of the dealer network and distributing new tractor models as they are launched by the company's principal supplier

Enhancing product support and after sales programmes

Fully optimising the company's inventory and receivable levels

Principal risks and uncertainties

The financial performance of the company is dependant upon the condition of the UK agricultural industry and the factors that affect the industry. In particular, commodity prices, crop yield, government subsidies and farm incomes will all affect the results of the company.

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that analysis using KPI's is not required for an understanding of the performance of the business.

The Euro

The impact of the Euro has been considered generally by the company. Although the impact of the changeover to the Euro has not been significant, this issue will continue to be monitored.

Directors

The directors who held office during the year were as follows

S J Beauchamp	- appointed 23rd December 2008
R P Spinks	- appointed 23rd December 2008
S Morra	- appointed 24th November 2008 and resigned 23rd December 2008

Charitable and political donations

During the year, the company did not make any contributions for charitable or political purposes in excess of £2,000.

Agriargo UK Limited
Directors' Report (continued)
for the period ended 31st December 2009

Auditors

The auditors, Hawsons Chartered Accountants will be considered for reappointment in accordance with section 487 of the Companies Act 2006

Approved by the Board and signed on its behalf by



S J Beauchamp
Director

Date

6/8/10

Unit D3 Harworth Industrial Estate
Bryans Close
Harworth
Doncaster
DN11 8RY

**Independent Auditors' Report to the Members of
Agriargo UK Limited
for the period ended 31st December 2009**

We have audited the financial statements of Agriargo UK Limited for the period ended 31st December 2009 set out on pages 6 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 section 495 and 496 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 the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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.

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 2009 and of its loss 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.

**Independent Auditors' Report to the Members of
Agriargo UK Limited
for the period ended 31st December 2009**

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

Date 6 August 2010

5 Sidings Court
White Rose Way
Doncaster
DN4 5NU

Agriargo UK Limited
Profit & Loss Account

for the period 24th November 2008 to 31st December 2009

	Note	2009 £'000
Turnover	2	23,662
Cost of sales		(22,126)
Gross profit		1,536
Other operating expenses	3	(1,858)
Operating (loss)	4	(322)
Exceptional items		
Reorganisation costs	5	(569)
		(891)
Interest payable and similar charges	6	(379)
Loss on ordinary activities before taxation		(1,270)
Tax on (loss) on ordinary activities	9	-
Retained (loss) for the financial period	16	(1,270)

Turnover and operating loss derive wholly from continuing operations

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

There is no material difference between the result reported above and the result on an unmodified historical cost basis

The accompanying notes are an integral part of this profit and loss account

Agriargo UK Limited
Company Number 6757157
Balance Sheet
as at 31st December 2009

	Note	2009 £'000
Fixed assets		
Tangible assets	10	48
		<u>48</u>
Current assets		
Stocks	11	7,720
Debtors	12	1,979
Cash at bank and in hand		253
		<u>9,952</u>
Creditors Amounts falling due within one year	13	(11,270)
Net current (liabilities)		<u>(1,318)</u>
Net (liabilities)		<u>(1,270)</u>
Capital and reserves		
Called-up share capital	15	-
Profit and loss account	16	(1,270)
Shareholders' funds	17	<u>(1,270)</u>

Approved by the board on 6/5/10 and signed on its behalf by ,



S J Beauchamp
Director

The accompanying notes are an integral part of this balance sheet

Agriargo UK Limited
Cash Flow Statement
for the period ended 31st December 2009

	Note	2009 £'000
Cash flow statement		
Cash outflow from operating activities	21	(2,259)
Returns on investment and servicing of finance	22	(379)
Financing	22	3,511
Capital expenditure and financial investment	22	(51)
Reorganisation costs		(569)
Increase in cash	23	<u>253</u>

Agriargo UK Limited
Notes to the Financial Statements
for the period ended 31st December 2009

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards, and on the going concern basis

Going concern policy

The financial statements have been prepared on a going concern basis. The company made a loss for the period of £1.27 million and at 31st December 2009 had net current liabilities of £1.3 million and net liabilities of £1.27 million.

The directors believe that the going concern basis is appropriate because financial support is provided to the company by the company's 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.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the original cost, less estimated residual value, of fixed assets on a straight line basis over their expected useful lives as follows -

Short leasehold building improvements	10 Years
Fixtures, fittings and equipment	10 Years

Stocks

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.

Taxation

Corporation tax is provided on taxable profits at the current rate.

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.

Pension costs

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.

Foreign currency

Normal trading activities denominated in foreign currencies are recorded in sterling at the actual exchange rates falling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Agriargo UK Limited
Notes to the Financial Statements (continued)
for the period ended 31st December 2009

1 Accounting policies (continued)

Turnover

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

Operating Leases

Rentals under operating leases are charged to the profit and loss account as incurred over the lease term

Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements 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 acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Agriargo UK Limited
for the period ended 31st December 2009
Notes to the Financial Statements (continued)

2 Turnover

0.69% of the company's turnover related to exports

3. Other operating expenses

2009
£'000

Selling and marketing costs
Administrative expenses

1,135
723

1,858

4 Operating (Loss) on ordinary activities before Taxation

2009
£'000

Operating (Loss) on ordinary activities before taxation is stated after charging -

Depreciation of owned tangible fixed assets

3

Operating lease rentals

- plant and machinery

96

- land and buildings

95

Auditors' remuneration

- audit fees

22

- Non audit fees

3

Foreign exchange losses arising

5

5 Reorganisation costs

The company has incurred reorganisation costs of £569,000 in the period

These costs have arisen due to the company acquiring the previous distributor's dealer network

Agriargo UK Limited
for the period ended 31st December 2009
Notes to the Financial Statements (continued)

6 Interest payable and similar charges **2009**
£'000

Other interest and charges	379
	<u>379</u>

7 Staff costs **2009**
£'000

Employee costs during the period amounted to

Wages and salaries	903
Social security costs	104
Regular pension costs	43
	<u>1,050</u>

The average number of persons employed by the company (including directors) during the period was as follows -

2009
Number

Directors	2
Sales and Marketing	9
Administration / Other	17
	<u>28</u>

8 Directors' remuneration

The directors' remuneration for the period is as follows

2009
£'000

Directors' remuneration (including benefits in kind)	137
Directors' pension contributions	9
	<u>146</u>

During the period the number of directors who were accruing benefits under company pension schemes were as follows

2009
£'000

Money purchase	<u>2</u>
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Agriargo UK Limited
for the period 24th November 2008 ended 31st December 2009
Notes to the Financial Statements (continued)

9	Tax on (loss) on ordinary activities	2009 £'000
	Analysis of charge for period	
	Current Tax	
	Corporation tax charge	(11)
	Deferred tax	11
	Origination and reversal of timing differences	-
	Tax on (loss) on ordinary activities	-
	<i>Factors affecting tax charge for the period</i>	
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK (28%) and the differences are explained below	
		2009 £'000
	(Loss) on ordinary activities before tax	(1,270)
	(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	(356)
	Effects of	
	Revenue expenses not deductible for tax purposes	7
	Capital allowances for the year in excess of depreciation	(11)
	Utilisation of tax losses	360
	Current tax charge for the period	-

The value of unrelieved tax losses carried forward is £1,072,320

Agriargo UK Limited
for the period 24th November 2008 ended 31st December 2009
Notes to the Financial Statements (continued)

10 Tangible fixed assets

	Short Leasehold Building Improvements £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
Additions	21	30	51
At 31st December 2009	<u>21</u>	<u>30</u>	<u>51</u>
Depreciation			
Charge for the period	(1)	(2)	(3)
At 31st December 2009	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
Net book value 31st December 2009	<u>20</u>	<u>28</u>	<u>48</u>

11 Stocks

	2009 £'000
Finished goods	7,720
	<u>7,720</u>

Stocks of £3,660,000 are held under finance leases

12 Debtors

	2009 £'000
The following amounts are due within one year	
Trade debtors	1,875
Other debtors	-
Prepayments and accrued income	104
	<u>1,979</u>

Agriargo UK Limited
for the period 24th November 2008 ended 31st December 2009
Notes to the Financial Statements (continued)

13	Creditors Amounts falling due within one year	2009
		£'000
	Trade creditors	6,662
	Amounts outstanding on finance leases	3,511
	Corporation tax	-
	Other tax and social security	547
	Accruals and deferred income	550
	Other creditors	-
		<u>11,270</u>

The amounts outstanding on finance leases are secured on the assets to which they relate

14	Maturity of debt	2009
		£'000
	Amounts falling due within one year	<u>3,511</u>

15	Share capital	2009
		£
	Allotted, Issued and Fully Paid	
	2 Ordinary shares of £1 each	2
		<u>2</u>

16	Reserves	Profit and Loss
		Account
		£'000
	Transfer from profit and loss account for the period	(1,270)
	Balance as at 31st December 2009	<u>(1,270)</u>

Agriargo UK Limited
for the period 24th November 2008 ended 31st December 2009
Notes to the Financial Statements (continued)

17 Reconciliation of movements in shareholders' funds **2009**
£'000

Loss attributable to members of the company (1,270)

Balance as at 31st December 2009 (1,270)

18 Provision for deferred tax **2009**
£'000

Accelerated capital allowances 11

Loss relief (11)

-

19 Guarantees and other financial commitments

Lease commitments

As at 31st December 2009 the company had annual commitments under non cancellable operating leases as follows

	Plant and Machinery 2009 £'000
Operating leases which expire	
- within 1 year	5
- within 2-5 years	41
	<u>46</u>

	Land and Buildings 2009 £'000
Operating leases which expire	
- over 5 years	105
	<u>105</u>

Lease Surrender Costs

Should the company vacate the premises before the expiry of the lease term, no penalties are expected to be payable under the terms of the lease

Agriargo UK Limited
for the period 24th November 2008 ended 31st December 2009
Notes to the Financial Statements (continued)

20 Pension schemes

Defined contribution pension scheme

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 £43,459. Contributions totalling £6,305 were payable to the scheme at the end of the period and are included in creditors.

21 Reconciliation of operating (loss) to operating cash flows.

2009
£'000

Operating (loss)	(322)
Depreciation and amortisation	3
Increase in stocks	(7,720)
Increase in debtors	(1,979)
Increase/(Decrease) in creditors	7,759
Net cash outflow from operating activities	<u>(2,259)</u>

22 Gross cash flows

Returns on investment and sourcing of finance

Interest paid	<u>(379)</u>
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Financing

Receipts from finance leases entered into during the period	4,477
Finance lease repayments	(966)
	<u>3,511</u>

Capital expenditure and financial investment

Payments to acquire tangible fixed assets	<u>(51)</u>
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Agriargo UK Limited
for the period 24th November 2008 ended 31st December 2009
Notes to the Financial Statements (continued)

23 Analysis of changes in net debt

	At 24 November 2008	Cash Flow	At 31 December 2009
Cash in hand	<u>-</u>	<u>253</u>	<u>253</u>
Debt due within one year			
Finance leases	<u>-</u>	<u>3,511</u>	<u>(3,511)</u>

24 Related parties

Controlling entity

The company is owned by its directors