Registration number: 06757157

Agriargo UK Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2014

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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

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Review of the business

Fair review of the business

The results for the company show a pre tax loss of £8,000 (2013: profit of £39,000) and turnover of £17,840,000 (2013: £17,937,000) for the period. The company has net liabilities of £846,000 (2013: £838,000).

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	2014	2013
Market Share	%	3	3
Gross profit margin	%	11	11
Profit on ordinary activities before investment income and interest	£ 000	121	158

The company's financial results for 2014 were, in the opinion of the directors, a disappointing performance with a small overall loss but a comparable gross profit margin % and operating profit compared with 2013.

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.

Approved by the Board on 19/6/15 and signed on its behalf by:

.....
S J Beauchamp
Director

Agriargo UK Limited

Directors' Report for the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

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.

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 19/6/15 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 2014, set out on pages 7 to 19. 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 and Strategic 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 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 2014 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.

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.

Hawsons

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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: 19 June 2015

Agriargo UK Limited

Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Turnover	2	17,840	17,937
Cost of sales		(15,952)	(16,001)
Gross profit		1,888	1,936
Distribution costs		(1,201)	(1,213)
Administrative expenses		(566)	(565)
Operating profit	3	121	158
Other interest receivable and similar income	6	1	1
Interest payable and similar charges	7	(130)	(120)
(Loss)/profit on ordinary activities before taxation		(8)	39
(Loss)/profit for the financial year	15	(8)	39

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 2014

	Note	2014 £ 000	2013 £ 000
Fixed assets			
Tangible fixed assets	9	41	45
Current assets			
Stocks	10	5,311	3,719
Debtors	11	3,368	2,360
Cash at bank and in hand		323	345
		9,002	6,424
Creditors: Amounts falling due within one year	12	(9,870)	(7,307)
Net current liabilities		(868)	(883)
Total assets less current liabilities		(827)	(838)
Creditors: Amounts falling due after more than one year	13	(19)	-
Net liabilities		(846)	(838)
Capital and reserves			
Profit and loss account	15	(846)	(838)

These financial statements were approved and authorised for issue by the Board on 19/6/15 and signed on its behalf by:

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S J Beauchamp
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

Agriargo UK Limited

Cash Flow Statement for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Net cash inflow/(outflow) from operating activities	19	567	(888)
Returns on investments and servicing of finance			
Interest received		1	1
Interest paid		(130)	(120)
		(129)	(119)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5)	(6)
Net cash inflow/(outflow) before management of liquid resources and financing		433	(1,013)
Financing			
Repayment of capital element of finance leases and HP contracts		(455)	683
Decrease in cash	20	(22)	(330)

Reconciliation of net cash flow to movement in net debt

	Note	2014 £ 000	2013 £ 000
Decrease in cash		(22)	(330)
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		455	(683)
Change in net debt resulting from cash flows	20	433	(1,013)
Movement in net debt	20	433	(1,013)
Net (debt)/funds at 1 January	20	(338)	675
Net funds/(debt) at 31 December	20	95	(338)

The notes on pages 10 to 19 form an integral part of these financial statements.

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 loss of £8,000 for the year and at 31 December 2014 had net current liabilities of £868,000 and net liabilities of £846,000.

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 forseeable 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 forseeable 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.

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 elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental oobligation 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.

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

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 0.06% of the company's turnover related to exports (2013 - 0.64%).

An analysis of turnover by geographical location is given below:

	2014 £ 000	2013 £ 000
Sales - UK	17,829	17,823
Sales - Europe	10	111
Sales - Rest of world	1	3
	17,840	17,937

3 Operating profit

Operating profit is stated after charging:

	2014 £ 000	2013 £ 000
Operating leases - plant and machinery	45	46
Operating leases - other assets	186	178
Auditor's remuneration	16	16
Foreign currency (gains)/losses	(2)	25
Depreciation of owned assets	9	8

4 Particulars of employees

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

	2014 No.	2013 No.
Administration and support	16	17
Sales, marketing and distribution	10	10
	26	27

The aggregate payroll costs were as follows:

	2014 £ 000	2013 £ 000
Wages and salaries	884	874
Social security costs	101	104
Staff pensions	46	47
	1,031	1,025

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £ 000	2013 £ 000
Remuneration (including benefits in kind)	159	151
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:

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	2	2

6 Other interest receivable and similar income

	2014 £ 000	2013 £ 000
Bank interest receivable	1	1

7 Interest payable and similar charges

	2014 £ 000	2013 £ 000
Other interest payable	130	120
	130	120

8 Taxation

Tax on (loss)/profit on ordinary activities
Tax on profit on ordinary activities for the year is £nil (2013: £nil).

Factors affecting current tax charge for the year

Tax on (loss)/profit on ordinary activities for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%).

The differences are reconciled below:

	2014 £ 000	2013 £ 000
(Loss)/profit on ordinary activities before taxation	(8)	39
Corporation tax at standard rate	(2)	9
Capital allowances in excess of depreciation	1	-
Non-taxable income less expenses not deductible for tax purposes	2	(3)
Utilisation of tax losses	(1)	(6)
Total current tax	-	-

There were corporation tax losses of £674,387 carried forward at the end of the period.

9 Tangible fixed assets

	Short leasehold land and buildings £ 000	Plant and machinery £ 000	Total £ 000
Cost or valuation			
At 1 January 2014	27	45	72
Additions	-	5	5
At 31 December 2014	27	50	77
Depreciation			
At 1 January 2014	10	17	27
Charge for the year	3	6	9
At 31 December 2014	13	23	36
Net book value			
At 31 December 2014	14	27	41
At 31 December 2013	17	28	45

10 Stocks

	2014 £ 000	2013 £ 000
Finished goods	5,311	3,719

Stocks of £206,000 (2013: £584,000) are held under finance leases.

11 Debtors

	2014 £ 000	2013 £ 000
Trade debtors	3,237	2,253
Other debtors	46	-
Prepayments and accrued income	85	107
	3,368	2,360

12 Creditors: Amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade creditors	7,807	5,071
Obligations under finance lease and hire purchase contracts	209	683
Other taxes and social security	321	560
Accruals and deferred income	1,533	993
	9,870	7,307

13 Creditors: Amounts falling due after more than one year

	2014 £ 000	2013 £ 000
Obligations under finance lease and hire purchase contracts	19	-

Obligations under finance leases and HP contracts

Amounts repayable:

	2014 £ 000	2013 £ 000
In one year or less on demand	209	683
Between one and two years	19	-
	228	683

14 Share capital

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

15 Reserves

	Profit and loss account £ 000	Total £ 000
At 1 January 2014	(838)	(838)
Loss for the year	(8)	(8)
At 31 December 2014	(846)	(846)

16 Reconciliation of movement in shareholders' funds

	2014 £ 000	2013 £ 000
(Loss)/profit attributable to the members of the company	(8)	39
Net (reduction)/addition to shareholders' funds	(8)	39
Shareholders' deficit at 1 January	(838)	(877)
Shareholders' deficit at 31 December	(846)	(838)

17 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 £46,213 (2013: £46,209). Contributions totalling £6,129 (2013: £6,085) were payable to the scheme at the end of the period and are included in creditors.

18 Commitments

Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £ 000	2013 £ 000
Land and buildings		
Within two and five years	125	125
Other		
Within one year	4	11
Within two and five years	77	83
Over five years	4	-
	85	94

19 Reconciliation of operating profit to operating cash flows

	2014 £ 000	2013 £ 000
Operating profit	121	158
Depreciation, amortisation and impairment charges	9	8
(Increase)/decrease in stocks	(1,592)	1,509
(Increase)/decrease in debtors	(1,008)	37
Increase/(decrease) in creditors	3,037	(2,600)
Net cash inflow/(outflow) from operating activities	567	(888)

20 Analysis of net debt

	At 1 January 2014 £ 000	Cash flow £ 000	At 31 December 2014 £ 000
Cash at bank and in hand	345	(22)	323
Finance leases and hire purchase contracts	(683)	455	(228)
Net funds	(338)	433	95

21 Control

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