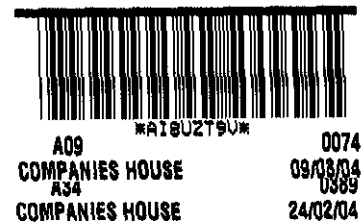


**JD RUTHERFORD LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2003**

**Company Registration Number 1992275**



**Blueprint Audit Limited**  
Chartered Accountants and Registered Auditor  
Charnwood House  
Gregory Boulevard  
Nottingham  
NG7 6NX

**JD RUTHERFORD LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors**

AJ White  
JD Bianchi  
JT Peacock  
AG Shorter  
CJ Butt

**Company secretary**

MJ Andrews

**Registered office**

Charnwood House  
Gregory Boulevard  
Nottingham  
NG7 6NX

**Auditors**

Blueprint Audit Limited  
Chartered Accountants and  
Registered Auditor  
Charnwood House  
Gregory Boulevard  
Nottingham  
NG7 6NX

**Bankers**

HSBC  
PO Box 85  
City Office  
Cambridge  
Cambridgeshire  
CB2 3HZ

# JD RUTHERFORD LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2003

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2003.

### Principal activities and business review

The principal activity of the company remains the retail distribution of agrochemicals to the farming community.

The directors are satisfied with the year under review and are confident of future prospects.

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003 £	2002 £
Proposed dividends on ordinary shares	<u>80,000</u>	<u>150,000</u>

### Directors

The directors who served the company during the year were as follows:

AJ White  
JD Bianchi  
JT Peacock  
AG Shorter  
CJ Butt

No director had any interest in the share capital of the company.

The interests of AJ White in the ordinary share capital of the parent company, Pro Cam Group Limited, are disclosed in the financial statements of that company.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

**JD RUTHERFORD LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 30 JUNE 2003**

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**Auditors**

A resolution to re-appoint Blueprint Audit Limited as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Charnwood House  
Gregory Boulevard  
Nottingham  
NG7 6NX

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'JD Bianchi', with a large, sweeping initial 'J'.

JD Bianchi

Director

Approved by the directors on 22 December 2003.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 30 JUNE 2003**

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We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**JD RUTHERFORD LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS** *(continued)***YEAR ENDED 30 JUNE 2003**

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Blueprint Audit Limited*

Blueprint Audit Limited  
Chartered Accountants and Registered Auditor  
Charnwood House  
Gregory Boulevard  
Nottingham  
NG7 6NX

14 January 2004

**JD RUTHERFORD LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2003**

	Note	2003 £	2002 £
<b>Turnover</b>	2	<b>4,505,648</b>	4,888,282
Cost of sales		<b>3,682,264</b>	3,909,940
<b>Gross profit</b>		<b>823,384</b>	978,342
Administrative expenses		<b>668,135</b>	671,907
<b>Operating profit</b>	3	<b>155,249</b>	306,435
Interest receivable		<b>15,000</b>	—
Interest payable	6	<b>42,974</b>	84,190
<b>Profit on ordinary activities before taxation</b>		<b>127,275</b>	222,245
Tax on profit on ordinary activities	7	<b>42,538</b>	57,991
<b>Profit on ordinary activities after taxation</b>		<b>84,737</b>	164,254
Dividends	8	<b>80,000</b>	150,000
<b>Retained profit for the financial year</b>		<b>4,737</b>	14,254
Balance brought forward		<b>427,095</b>	412,841
Balance carried forward		<b>431,832</b>	427,095

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

# JD RUTHERFORD LIMITED

## BALANCE SHEET

30 JUNE 2003

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	9	74,536	106,630
<b>Current assets</b>			
Stocks	10	438,503	745,006
Debtors	11	1,843,196	2,173,262
Cash at bank and in hand		291,179	294
		<u>2,572,878</u>	<u>2,918,562</u>
<b>Creditors: Amounts falling due within one year</b>	12	<u>2,181,582</u>	<u>2,567,108</u>
<b>Net current assets</b>		<b>391,296</b>	<b>351,454</b>
<b>Total assets less current liabilities</b>		<b>465,832</b>	<b>458,084</b>
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>-</u>	<u>3,989</u>
		<b>465,832</b>	<b>454,095</b>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	16	<u>7,000</u>	<u>-</u>
		<b>458,832</b>	<b>454,095</b>
<b>Capital and reserves</b>			
Called-up equity share capital	20	<u>27,000</u>	<u>27,000</u>
Profit and loss account		<u>431,832</u>	<u>427,095</u>
<b>Shareholders' funds</b>	21	<b>458,832</b>	<b>454,095</b>

These financial statements were approved by the directors on the 22 December 2003 and are signed on their behalf by:



AJ WHITE  
Director



**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

**Turnover**

Turnover represents sales to outside customers at invoiced amounts less VAT.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	equally over the term of the lease
Plant & Machinery	-	25% per annum reducing balance
Fixtures & Fittings	-	25% per annum reducing balance
Motor Vehicles	-	25% per annum reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis.

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

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**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

**2. TURNOVER**

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom.

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>18,025</b>	17,673
Depreciation of assets held under hire purchase agreements	<b>2,717</b>	13,497
Loss/(Profit) on disposal of fixed assets	<b>3,146</b>	(1,474)
Auditors' remuneration		
- as auditors	<b>4,360</b>	4,235
Operating lease costs:		
Land and buildings	<b>51,185</b>	51,185
Vehicles	<b>27,120</b>	35,060

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>
Sales and distribution	<b>5</b>	<b>5</b>
Management and administration	<b>10</b>	<b>10</b>
	<b><u>15</u></b>	<b><u>15</u></b>

The aggregate payroll costs of the above were:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>313,812</b>	<b>270,897</b>
Social security costs	<b>28,167</b>	<b>26,318</b>
Other pension costs	<b>12,570</b>	<b>17,586</b>
	<b><u>354,549</u></b>	<b><u>314,801</u></b>

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Emoluments receivable	<b>92,374</b>	<b>92,671</b>
Value of company pension contributions to money purchase schemes	<b>5,856</b>	<b>4,995</b>
	<b><u>98,230</u></b>	<b><u>97,666</u></b>

The number of directors who are accruing benefits under company pension schemes was as follows:

	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<b><u>2</u></b>	<b><u>2</u></b>

**6. INTEREST PAYABLE**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	<b>42,348</b>	<b>82,555</b>
Finance charges	<b>626</b>	<b>1,635</b>
	<b><u>42,974</u></b>	<b><u>84,190</u></b>

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	40,000	64,476
Over/under provision in prior year	(4,462)	(6,485)
Total current tax	<u>35,538</u>	<u>57,991</u>
Deferred tax:		
Increase in deferred tax provision	7,000	—
Tax on profit on ordinary activities	<u>42,538</u>	<u>57,991</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>127,275</u>	<u>222,245</u>
Profit on ordinary activities multiplied by expected rate of corporation tax	38,183	66,674
(Utilisation)/creation of tax losses	—	(8,598)
Expenses not deductible for tax purposes	2,316	4,241
Short term timing differences	(1,332)	8
Depreciation for year in excess of capital allowances	(909)	2,151
Adjustment to tax charge in respect of previous years	(4,462)	(6,485)
Sundry tax adjusting items	1,742	—
Total current tax (note 7(a))	<u>35,538</u>	<u>57,991</u>

**(c) Factors that may affect future tax charges**

There are no factors that are expected to significantly affect future tax charges.

**8. DIVIDENDS**

The following dividends have been proposed in respect of the year:

	2003 £	2002 £
Proposed dividend on ordinary shares	<u>80,000</u>	<u>150,000</u>

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**9. TANGIBLE FIXED ASSETS**

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 July 2002	38,118	137,189	23,577	192,397	391,281
Additions	—	—	7,275	8,314	15,589
Disposals	—	—	(1,595)	(92,148)	(93,743)
<b>At 30 June 2003</b>	<b>38,118</b>	<b>137,189</b>	<b>29,257</b>	<b>108,563</b>	<b>313,127</b>
<b>DEPRECIATION</b>					
At 1 July 2002	16,610	108,723	19,462	139,856	284,651
Charge for the year	2,328	7,640	1,696	9,078	20,742
On disposals	—	—	(1,427)	(65,375)	(66,802)
<b>At 30 June 2003</b>	<b>18,938</b>	<b>116,363</b>	<b>19,731</b>	<b>83,559</b>	<b>238,591</b>
<b>NET BOOK VALUE</b>					
<b>At 30 June 2003</b>	<b>19,180</b>	<b>20,826</b>	<b>9,526</b>	<b>25,004</b>	<b>74,536</b>
<i>At 30 June 2002</i>	<i>21,508</i>	<i>28,466</i>	<i>4,115</i>	<i>52,541</i>	<i>106,630</i>

**Hire purchase agreements**

Included within the net book value of £74,536 is £8,151 (2002 - £40,492) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,717 (2002 - £13,497).

**10. STOCKS**

	2003 £	2002 £
Goods held for resale	<b>438,503</b>	<b>745,006</b>

At the balance sheet date the company had consignment stocks valued at £36,039 (2002: £33,526) which were the property of the manufacturer. The manufacturer may require the return of this stock without compensation or the company may return the stock without penalty. Obsolescence risk is borne by the manufacturer and the price at which the stock is transferred to the company is that prevailing at the date of sale to a third party.

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**11. DEBTORS**

	2003 £	2002 £
Trade debtors	1,794,149	2,127,116
Other debtors	5,934	22,617
Prepayments and accrued income	43,113	23,529
	<u>1,843,196</u>	<u>2,173,262</u>

Included within other debtors is an amount of £5,934 (2002: £17,367) relating to amounts due from group undertakings.

**12. CREDITORS: Amounts falling due within one year**

	2003 £	2002 £
Bank loans and overdrafts	–	1,170,676
Trade creditors	94,859	28,619
Corporation tax	40,000	64,476
Other taxation and social security	394,091	436,227
Hire purchase agreements	3,989	6,656
Dividends payable	80,000	150,000
Amount due to group undertakings	1,529,887	684,305
Accruals and deferred income	38,756	26,149
	<u>2,181,582</u>	<u>2,567,108</u>

The bank overdraft in 2002 was secured by a fixed and floating charge over the assets of the company.

The obligations under hire purchase contracts are secured on specific assets.

**13. CREDITORS: Amounts falling due after more than one year**

	2003 £	2002 £
Hire purchase agreements	<u>–</u>	<u>3,989</u>

**14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	3,989	6,656
Amounts payable between 1 and 2 years	–	3,989
	<u>3,989</u>	<u>10,645</u>

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**15. PENSIONS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund, and amounted to £12,570 for the year (2002: £17,586). Prepaid contributions at the year end amounted to £8,213 (2002: £3,773).

**16. DEFERRED TAXATION**

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Profit and loss account movement arising during the year	7,000	—
Provision carried forward	<u>7,000</u>	<u>—</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	5,000	—
Other timing differences	<u>2,000</u>	<u>—</u>
	<u>7,000</u>	<u>—</u>

**17. COMMITMENTS UNDER OPERATING LEASES**

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003 Land & Buildings £	Other Items £	2002 Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	12,250	—	31,985	4,865
Within 2 to 5 years	—	—	10,000	—
After more than 5 years	<u>38,935</u>	<u>—</u>	<u>9,200</u>	<u>—</u>
	<u>51,185</u>	<u>—</u>	<u>51,185</u>	<u>4,865</u>

**18. CONTINGENCIES**

The company has guaranteed a loan made to its ultimate parent company and bank borrowings of other group companies. At 30 June 2003 other group companies had borrowings of £4,410,079 (2002: £3,801,323) covered by these guarantees.

**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

**19. RELATED PARTY TRANSACTIONS**

The company is related to the following companies:

Pro Cam Group Limited by virtue of it being the company's parent company. BCS Agriculture Limited, Chemega Limited, Countycrops Limited, Farm Supply Company (Thirsk) Limited, Fieldcare Limited, Direct Farm Marketing Limited, Pro Cam Agriculture Limited and Robertson Crop Services Limited, by virtue of them being fellow subsidiaries of Pro Cam Group Limited.

BCS Agriculture Limited, Chemega Limited, Countycrops Limited, Farm Supply Company (Thirsk) Limited, Fieldcare Limited, Direct Farm Marketing Limited and Pro Cam Agriculture Limited have 90% or more of their voting rights controlled within the group, therefore, the company has taken advantage of the exemption not to disclose transactions with these companies as permitted by FRS 8 Related Party Transactions.

The majority of the company's agrochemical supplies were purchased on its behalf by Pro Cam Group Limited, acting on an agency basis.

The company's balances with related parties at 30 June 2003 were as follows:

	<b>Debtor £</b>	<b>Creditor £</b>
Pro Cam Group Limited	-	1,426,640
BCS Agriculture Limited	3,110	-
Chemega Limited	-	10,996
Fieldcare Limited	-	32,515
Pro Cam Agriculture Limited	-	59,736
Countycrops Limited	2,824	-

**20. SHARE CAPITAL**

**Authorised share capital:**

	<b>2003 £</b>	<b>2002 £</b>
60,000 Ordinary shares of £1 each	<u><b>60,000</b></u>	<u><b>60,000</b></u>

**Allotted, called up and fully paid:**

	<b>2003 No</b>	<b>£</b>	<b>2002 No</b>	<b>£</b>
Ordinary shares of £1 each	<u><b>27,000</b></u>	<u><b>27,000</b></u>	<u><b>27,000</b></u>	<u><b>27,000</b></u>



**JD RUTHERFORD LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2003**

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**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003 £	2002 £
Profit for the financial year	<b>84,737</b>	164,254
Dividends	<b>(80,000)</b>	(150,000)
	<u><b>4,737</b></u>	<u>14,254</u>
Opening shareholders' equity funds	<b>454,095</b>	439,841
Closing shareholders' equity funds	<u><b>458,832</b></u>	<u>454,095</u>

**22. CAPITAL COMMITMENTS**

The directors have confirmed that there were no capital commitments at 30 June 2003.

**23. PARENT COMPANY**

The company's ultimate parent company is Pro Cam Group Limited. The company's results are included in the consolidated financial statements of its ultimate parent company, the results of which can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

Pro Cam Group Limited's ultimate controlling party is AJ White.