

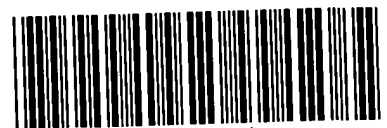
# Financial Statements Pro Cam UK Limited

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For the year ended 31 December 2019

Registered number: 02371155

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## Company Information

**Directors**

AJ White  
ID Beswick  
CJ Butt  
D Heath  
DJ Parish

**Company secretary**

MJ Andrews

**Registered number**

02371155

**Registered office**

2020 Cambourne Business Park  
Cambourne  
Cambridge  
Cambridgeshire  
CB23 6DW

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
101 Cambridge Science Park  
Milton Road  
Cambridge  
Cambridgeshire  
CB4 0FY

**Bankers**

HSBC Bank Plc  
Cambridge City  
63-64 St Andrews Street  
Cambridge  
Cambridgeshire  
CB2 3BZ

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# Strategic report

For the year ended 31 December 2019

## Principal activities and review of business

The principal activity of both the company and its subsidiary company, Pro Cam CP Limited, is the retail distribution of seed, plant nutrition and crop protection products to growers throughout the UK.

### Review of business

During the year ended 31 December 2019 the company generated a profit before taxation of £1.7 million (2018: profit of £1.9 million) which includes the receipt of dividends of £4.3 million (2018 - £4.25 million) from its subsidiary company.

ProCam CP Limited, the company's subsidiary undertaking, continued to trade profitably across all of its operations, and achieved a profit before taxation of £4.8 million during the year ended 31 December 2018 (2018 - £4.7 million).

ProCam celebrated its 40<sup>th</sup> anniversary in 2019. During this time, we have grown from a start-up operation into business with agronomy teams and depots across the United Kingdom. In 2004 we established Pro Cam Polska which is now one of the leading agronomy businesses in Poland. The successful long-term development of these businesses enabled our parent company, Pro Cam Europe to record group sales of £319 million in 2019.

Importantly, Pro Cam remains independently owned. Tony White, the founder, retains a majority shareholding.

Pro Cam CP Limited delivered an improved trading performance in spring 2019. Demand was particularly strong during the first quarter of the year. This was driven by a combination of favourable weather conditions, enabling fieldwork to get underway much earlier than 2018, combined with many growers bringing forward their purchases amid concerns that a "no-deal" Brexit at the end of March 2019 would disrupt supply chains at the peak of the crop spraying season.

Performance in the autumn was inevitably impacted by the exceptional weather conditions which affected most of the UK and has reduced the winter wheat area from 1.9 million hectares in 2018/2019 to a maximum of 1.2 million hectares for 2019/2020. The planted areas for oilseed rape and winter barley have also reduced by 32% and 23% respectively based on the AHDB's Early Bird Survey published in February 2020. Growers farming heavy land have been particularly badly hit as once their land became saturated continued rain meant that it never had the opportunity to dry out sufficiently to enable field work to get under way.

During the year, further progress was made in the wind-up of the Pro Cam CP Limited defined benefit pension scheme. Members' entitlements have been secured through insured annuities with Aviva and following the agreement of the final premium the scheme was placed into formal wind-up on 30 May 2019. All administrative matters in connection with the wind-up have now been completed and the deed of termination was signed by the scheme's trustees on 16 June 2020.

### Future prospects

The reduced, planted areas for autumn-sown crops will inevitably impact on growers' demand for crop protection products in Spring 2020 as these lost crops will be replaced by either increased areas of lower-input spring crops or left as fallow land.

## Strategic report

For the year ended 31 December 2019

### Future prospects (continued)

Whilst the Covid19 pandemic has caused much disruption to the global economy, the UK Government has recognised the fundamental importance of food production and this has enabled the continued operation of our business. Inevitably it has been necessary to adapt some of our working practices to respond to this unprecedented situation. Thanks to the dedication of all of our people, the business has been able to maintain service levels to customers during the spring season.

Key performance indicators are reported in the parent company financial statements, Pro Cam Europe Limited.

### Statement required in connection with Section 172 Companies Act 2006

The purpose of this statement is to explain how the directors have discharged their duties under section 172 of the Companies Act 2006. This requires them to promote the success of the company for the benefit of the shareholders as a whole, whilst also having regard to broader matters including the interests of other stakeholders.

The directors have identified the following principal stakeholder groups who are integral to our “*Agronomy that delivers*” business model:

- Employees – the success of ProCam is built up the commitment of all of our people: agronomists, logistics teams together with the support staff;
- Suppliers – who includes the world’s leading research and development-based crop protection businesses as well as a number of smaller specialist producers. We represent an important part of their distribution channel to growers ; and
- Customers – our focus is on achieving customer satisfaction by providing them with service excellence and facilitating access to the range of products they need to optimize returns from their crops.

As an owner-managed business, the shareholders are all actively involved on a daily basis and understand the importance of the interests of each stakeholder groups. In particular, the shareholders believe that it is vital to maintain short-reporting lines within the business to ensure that both themselves and the senior management team remain visible and accountable to employees, suppliers and customers. In addition to formal management meetings, regular meetings are held with our agronomy and logistics teams around the country to share our strategic objectives and to seek constructive feedback as to how these may be adapted to fit their local trading conditions.

The debate about the future of food, both in the UK and globally has intensified during 2019. There is now an increased focus on the sustainability of both current production methods and diet choices as the World’s population grows beyond 7 billion people and climate change becomes a reality. We consider that ProCam has an important role to play:

- Feeding the World’s ever-expanding population requires the efficient use of the resources available to mankind. Our “*Agronomy that delivers*” business model, supported by “*ProCam4Cast*” helps our customers increase productivity and optimize returns from their crops;
- Through our membership of bodies such as the Agricultural Industries Confederation, we maintain a dialogue with government: focusing on promoting the importance of efficient food production in the United Kingdom and stressing the importance that the decision-making is based science-based evidence rather than well-meaning but often mistaken emotion;

## Strategic report

For the year ended 31 December 2019

### Statement required in connection with Section 172 Companies Act 2006 (continued)

- We have long-established relationships with the leading agricultural universities and colleges in both the UK and Poland, which enables us to contribute to both research projects and the training of the next generation of growers and their professional advisers;
- We engage with the wider community through participation in wide range of national and local agricultural shows open to the general public. This provides us with the opportunity to connect with people who otherwise may only have limited opportunities to appreciate the importance of scientific innovation to food production.

### Principal risks and uncertainties

The directors believe that the principal risks facing the company fall into three broad categories: strategic, operational and financial.

The most significant strategic risks facing our sector, and our approach towards their mitigation, have been identified as:

- Potential regulatory changes which would reduce the range of products available to our growers, but may also discourage investment in product development by the R&D manufacturers. We monitor proposals and participate in industry wide forums which seek to make balanced contributions to consultations on proposed legislative changes together with maintaining a wide product range to limit our reliance on individual products; and
- The age profile of agronomists: a significant proportion of the UK's agronomists are approaching retirement age. We are actively implementing succession plans and have developed a comprehensive recruitment and training programme for new agronomists to ensure that we can both protect our existing business and also benefit from changes elsewhere in the sector.

The company's key operational risk is the failure to address the increasing compliance requirements introduced by new legislation. This risk is mitigated by the establishment of appropriate systems designed to achieve and monitor compliance with regulatory requirements. Our commitment in this area is demonstrated by the appointment of a dedicated compliance/health and safety manager.

Financial risks include the adequacy of the company's working capital facilities: The company maintains overdraft and other credit facilities with its principal bankers which are considered to provide adequate headroom to meet our seasonal working capital requirements. We operate consistent credit control policies, which offer our growers commercially attractive options for the settlement of their accounts. Close working relationships with our suppliers enable stock levels to be carefully managed and payment terms reflect the seasonal nature of the business.

## Strategic report

For the year ended 31 December 2019

### Principal risks and uncertainties (continued)

#### Brexit

The directors continue to monitor the potential impact of Brexit on the company's principal activities. The company works with its suppliers to monitor risks in the supply chain created by the uncertainties surrounding the United Kingdom's exit from the European Union and the ongoing negotiation of their future trading relationships. The directors are also monitoring the likely changes in the agricultural subsidy regime which may have impact on the range of crops grown in the United Kingdom and the rate of farm consolidation. Our trade body, the Agricultural Industries Confederation maintains dialogue with Government and issues Member Brexit Briefings to keep members up to date with developments.

#### Covid-19

The directors have considered the potential impact of Covid-19 on the company's principal activities and further detail is given in note 28 to these financial statements. The directors are confident that the business can manage any disruption caused by the Covid-19 virus and that any adverse impact on the financial position of the Group can be absorbed by existing cash reserves and existing bank facilities.

This report was approved by the board on 22 July 2020 and signed on its behalf.



ID Beswick  
Director

## Directors' report

For the year ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2018.

### Results and dividends

The profit for the year, after taxation, amounted to £1,691,000 (2018: £1,899,000).

### Post balance sheet events

The impact of Codvid-19 on the Company is explained in the Strategic Report and note 28 to the financial statements.

### Directors

The Directors who served during the year were:

AJ White  
ID Beswick  
JD Bianchi (resigned 30 June 2020)  
CJ Butt  
D Heath  
DJ Parish

### Directors' responsibilities statement

The directors are responsible for preparing the strategic report and 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, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- 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.



Pro Cam UK Limited

## Directors' Report

For the year ended 31 December 2019

### Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

### Auditors

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

This report was approved by the board on 22 July 2020 and signed on its behalf.



ID Beswick  
Director

# Independent auditor's report to the members of Pro Cam UK Limited

## Opinion

We have audited the financial statements of Pro Cam UK Limited (the 'company') for the year ended 31 December 2019, which comprise the profit and loss account, the statement of comprehensive income, the statement of changes in equity, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

# Independent auditor's report to the members of Pro Cam UK Limited

## **Conclusions relating to going concern (continued)**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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.

# Independent auditor's report to the members of Pro Cam UK Limited

## Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

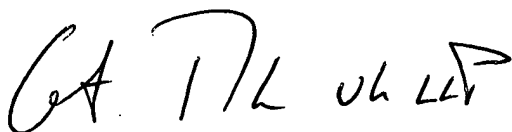
## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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.



Paul Naylor  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
22 July 2020

## Profit and loss account

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Turnover</b>	4	1,028	1,582
Cost of sales		<u>(758)</u>	<u>(1,325)</u>
<b>Gross profit</b>		270	257
Administrative expenses		(5,282)	(4,979)
Other operating income	5	<u>2,400</u>	<u>2,400</u>
<b>Operating loss</b>	6	(2,612)	(2,322)
Income from shares in group undertakings	10	4,300	4,250
Interest payable and similar changes	11	<u>(7)</u>	<u>(20)</u>
<b>Profit before tax</b>		1,681	1,908
Tax credit/(charge) on profit	12	<u>10</u>	<u>(9)</u>
<b>Profit for the year</b>		<u>1,691</u>	<u>1,899</u>

All activities are continuing.

There were no other gains or losses for 2019 or 2018 other than those included in the profit and loss account and therefore no statement of comprehensive income is presented.

The notes on pages 13 to 26 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2019

	Share capital £'000	Capital redemption reserve £'000	Profit and loss £'000	Total £'000
<b>Shareholders' equity 1 January</b>				
<b>2018</b>	<b>550</b>	<b>2,205</b>	<b>1,714</b>	<b>4,469</b>
Profit for the year	-	-	1,899	1,899
Total comprehensive income for the year	-	-	1,899	1,899
Dividends paid	-	-	(1,250)	(1,250)
<b>Shareholders' equity at 31</b>				
<b>December 2018</b>	<b>550</b>	<b>2,205</b>	<b>2,363</b>	<b>5,118</b>
Profit for the year	-	-	1,691	1,691
Total comprehensive income for the year	-	-	-	-
Dividends paid	-	-	(1,300)	(1,300)
<b>Shareholders' equity at 31</b>				
<b>December 2019</b>	<b>550</b>	<b>2,205</b>	<b>2,754</b>	<b>5,509</b>

The notes on pages 13 to 26 form part of these financial statements.

## Balance sheet

As at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Intangible assets	14	235	71
Tangible assets	15	225	226
Investments	16	11,207	11,207
		<u>11,667</u>	<u>11,504</u>
<b>Current assets</b>			
Debtors	17	423	436
Cash at bank and in hand		4	17
		<u>427</u>	<u>453</u>
Creditors: amounts falling due within one year	18	(6,298)	(6,540)
<b>Net current liabilities</b>		<u>(5,871)</u>	<u>(6,087)</u>
<b>Total assets less current liabilities</b>		<u>5,796</u>	<u>5,417</u>
Creditors: amounts falling due after more than one year	19	(287)	(299)
<b>Net assets</b>		<u>5,509</u>	<u>5,118</u>
<b>Capital and reserves</b>			
Called up share capital	22	550	550
Capital redemption reserve	23	2,205	2,205
Profit and loss account	23	2,754	2,363
		<u>5,509</u>	<u>5,118</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2020.



**ID Beswick**  
Director  
Registered number: 02371155

The notes on pages 13 to 26 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2019

## 1. Company information

Pro Cam UK Limited (the "Company") is a private limited company incorporated and domiciled in England and Wales. The address of the registered office is given on the contents page.

The principal activity of the Company is to supply agricultural inputs and provide agronomy services to growers.

The financial statements are prepared in sterling which is the functional currency of the company and are rounded to the nearest £'000.

## 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 (March 2018), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 (March 2018) requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The directors have considered the basis of preparation and have concluded that the going concern basis is appropriate given historic trading and forecasted profitability. This assessment has also taken account of the impact of the Covid-19 virus which has emerged since our financial year-end, further information is given in note 28.

The company has adopted the disclosure exemption from presenting a cash flow and related notes.

The following principal accounting policies have been applied:

### 2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.



## Notes to the financial statements

For the year ended 31 December 2019

### 2.3 Intangible fixed assets and amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The intention to complete the software and use it.
- The ability to use the software.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Software development costs 10 years

### 2.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- |                                  |  |
|----------------------------------|--|
| Motor vehicles                   | - 25% per annum <i>reducing balance</i>  |
| Furniture, fixtures and fittings | - 25% per annum <i>reducing balance</i> and 33% per annum <i>straight line</i> |

### 2.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

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

## Notes to the financial statements

For the year ended 31 December 2019

### 2.6 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

### 2.7 Pensions

A subsidiary company operated a defined benefits pension scheme which was closed to the future accrual of pension benefits on 28 August 2006. Contributions made by the Company to this scheme were based on a full actuarial valuation dated 28 July 2015 and were accounted for as defined contribution pension costs. Contributions ceased in August 2018. Following the purchase of insured annuities to secure members' pension benefits the scheme was placed into wind-up on 30 May 2019. All administrative matters in connection with the wind-up have now been completed and the deed of termination was signed by the scheme's trustees on 16 June 2020.

The pension cost charge for defined contribution schemes represent contributions payable in the year.

### 2.8 Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as either 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.

## Notes to the financial statements

For the year ended 31 December 2019

### 2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

### 2.10 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.

### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

### 2.12 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.

### 2.13 Foreign currency translation

Foreign currency transactions are translated into the company's functional currency, £ sterling, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

## Notes to the financial statements

For the year ended 31 December 2019

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Revenue which represents the fair value of the sale consideration received for the goods and services supplied to third parties, after deducting discounts estimated based on individual customer arrangements and historical experience.

The company operates incentive schemes for its management and agronomy teams, awards under which are generally determined on the basis of performance during the cropping year which runs from 1 July to 30 June the following year. At the financial year end, performance during the period from 1 July to 31 December is reviewed, together with expected performance for the remainder of the cropping year to estimate the total award.

### 4. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the company.

A geographical analysis of turnover is as follows:

	2019 £'000	2018 £'000
United Kingdom	651	635
Other European countries	377	947
	<u>1,028</u>	<u>1,582</u>

### 5. Other operating income

	2019 £'000	2018 £'000
Management charges	<u>2,400</u>	<u>2,400</u>

# Notes to the financial statements

For the year ended 31 December 2019

## 6. Operating loss

The operating loss is stated after charging/(crediting):

	2019 £'000	2018 £'000
Depreciation of tangible fixed assets	84	84
Operating lease rentals:		
- Plant & machinery	66	83
- Other operating leases	168	168
Foreign exchange gain	(10)	(3)
Profit on disposal of fixed assets	(8)	(2)

## 7. Auditors' remuneration

	2019 £'000	2018 £'000
Auditors' remuneration for audit of the company	6	5

Details of non-audit services are disclosed in the financial statements of Pro Cam Europe Limited, the ultimate parent company, in which these financial statements are consolidated.

## 8. Employees

Staff costs were as follows:

	2019 £'000	2018 £'000
Wages and salaries	2,315	1,938
Social security costs	279	230
Pension costs	114	91
	<u>2,708</u>	<u>2,259</u>

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

	2019 No	2018 No
Management and administration	<u>31</u>	<u>30</u>

# Notes to the financial statements

For the year ended 31 December 2019

## 9. Directors' remuneration

	2019 £'000	2018 £'000
Directors' emoluments	1,110	667
Company contributions to defined contribution pension schemes	9	-
	<u>1,119</u>	<u>667</u>

During the period one director was accruing retirement benefits (2018 – none) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £463,000 (2018 - £326,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2018 - £Nil).

## 10. Income from shares in group undertakings

	2019 £'000	2018 £'000
Dividends received	<u>4,300</u>	<u>4,250</u>

## 11. Interest payable and similar charges

	2019 £'000	2018 £'000
Other interest payable	<u>7</u>	<u>20</u>

## Notes to the financial statements

For the year ended 31 December 2019

**12. Taxation**

	2019 £'000	2018 £'000
<b>Corporation tax</b>		
Current tax on profit for the year	-	-
Adjustment to tax charge in respect of prior periods	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10)	9
<b>Total deferred tax</b>	<u>(10)</u>	<u>9</u>
<b>Total tax (credit)/charge on profit on ordinary activities</b>	<u>(10)</u>	<u>9</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018- lower than) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	<u>1,681</u>	<u>1,908</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19.25%)	319	363
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9	4
Adjustments to deferred tax charge in respect of prior periods	-	-
Dividends from UK companies	(817)	(359)
Group relief surrendered	460	-
Other timing differences	19	1
<b>Total tax (credit)/charge for the year</b>	<u>(10)</u>	<u>9</u>

**Factors that may affect future tax charges**

There are no factors that may affect future tax charges.

## Notes to the financial statements

For the year ended 31 December 2019

**13. Dividends**

	2019 £'000	2018 £'000
Dividends paid on equity capital	<u>1,300</u>	<u>1,250</u>

**14. Intangible assets**

	Software Asset Under Development  £'000	Total  £'000
<b>Cost</b>		
At 1 January 2019	71	71
Additions	164	164
At 31 December 2019	<u>235</u>	<u>235</u>
<b>Amortisation</b>		
At 1 January 2019	-	-
Charge for the year	-	-
At 31 December 2019	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2019	<u>235</u>	<u>235</u>
At 31 December 2018	<u>71</u>	<u>71</u>

**15. Tangible fixed assets**

	Motor vehicles  £'000	Furniture, fixtures and fittings  £'000	Total  £'000
<b>Cost</b>			
At 1 January 2019	149	663	812
Additions	119	23	142
Disposals	(131)	(118)	(249)
At 31 December 2019	<u>137</u>	<u>568</u>	<u>705</u>
<b>Depreciation</b>			
At 1 January 2019	88	498	586
Charge for the year	27	57	84
Disposals	(78)	(112)	(190)
At 31 December 2019	<u>37</u>	<u>443</u>	<u>480</u>
<b>Net book value</b>			
At 31 December 2019	<u>100</u>	<u>125</u>	<u>225</u>
At 31 December 2018	<u>61</u>	<u>165</u>	<u>226</u>



## Notes to the financial statements

For the year ended 31 December 2019

### 16. Fixed asset investments

	Subsidiary undertakings £'000	Joint Venture £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2019 and 31 December 2019	11,157	50	11,207
<b>Net book value</b>			
At 31 December 2019	11,157	50	11,207
At 31 December 2018	11,157	50	11,207

#### Subsidiary undertakings

The following was a subsidiary undertaking of the Company at year end:

Name	Nature of business	Holding
Pro Cam CP Limited	Trading	100%

The following was a joint venture of the Company at year end:

Name	Nature of business	Holding
Cropstar Limited	Dormant	50%

#### Other dormant subsidiaries owned by Pro Cam UK Limited

Mega Yield Limited	Dormant	100%
Pro Cam Agronomy Limited	Dormant	100%
Quality Assured Marketing Limited	Dormant	100%
Toadrage Limited	Dormant	100%
Topyield Limited	Dormant	100%
Power Crop Limited	Dormant	100%
Pro Cam Group Limited	Dormant	100%

## Notes to the financial statements

For the year ended 31 December 2019

**17. Debtors**

	2019 £'000	2018 £'000
Trade debtors	49	-
Other debtors	106	297
Prepayments and accrued income	187	68
Deferred taxation	81	71
	<u>423</u>	<u>436</u>

**18. Creditors: Amounts falling due within one year**

	2019 £'000	2018 £'000
Trade creditors	34	21
Amounts owed to group undertakings	4,159	4,150
Taxation and social security	1,487	1,788
Accruals and deferred income	618	581
	<u>6,298</u>	<u>6,540</u>

**19. Creditors: Amounts falling due after more than one year**

	2019 £'000	2018 £'000
Accruals and deferred income	57	57
Deferred consideration	230	242
	<u>287</u>	<u>299</u>

Deferred consideration due after more than one year comprise two unsecured instruments:

- (i) PLN 810,000 which had a £sterling value of £161,000 at 31 December 2019 (2018: £169,000) which bears interest at a fixed rate of 6.25% and is repayable in five annual instalments commencing on the occurrence of specified events linked to the employment status of the creditor; and
- (ii) €81,088 which had a £sterling value of £69,000 at 31 December 2019 (2018: £73,000) which bears interest at a fixed rate of 5% per annum and is repayable on the occurrence of specified events linked to the employment status of the creditor.

# Notes to the financial statements

For the year ended 31 December 2019

## 20. Financial instruments

	2019 £'000	2018 £'000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	159	314
	<u>159</u>	<u>314</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(5,098)	(4,994)
	<u>(5,098)</u>	<u>(4,994)</u>

Financial assets measured at amortised cost comprise instruments such as debtors, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise debt instruments such as trade and other creditors, net obligations under finance leases and accruals.

## 21. Deferred taxation

	Deferred tax £'000
At 1 January 2019	71
Credit to the profit and loss account	10
<b>At 31 December 2019</b>	<u><b>81</b></u>

The deferred tax asset is made up as follows:

	2019 £'000	2018 £'000
Fixed asset timing differences	15	29
Other timing differences	66	42
	<u>81</u>	<u>71</u>

## 22. Share capital

	2019 £'000	2018 £'000
<b>Allotted, called up and fully paid</b>		
400,000 Ordinary shares of £1 each	400	400
150,000 'A' Ordinary shares of £1 each	150	150
	<u>550</u>	<u>550</u>

The Ordinary shares of £1 each and the 'A' Ordinary shares of £1 each rank pari passu in all material respects. Further details of the terms attached to each class of share can be found in the Articles of Association filed at Companies House.

## Notes to the financial statements

For the year ended 31 December 2019

### 23. Reserves

#### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

#### Profit and loss account

The reserve is for recording accumulated profit/loss and certain items of other comprehensive income.

### 24. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £'000	2018 £'000
Not later than 1 year	220	254
Later than 1 year and not later than 5 years	719	728
Later than 5 years	28	247
Total	<u>967</u>	<u>1,229</u>

### 25. Contingencies

The company participates in a group bank overdraft and revolving credit facility with Pro Cam Europe Limited and Pro Cam CP Limited and has guaranteed the bank borrowing of these companies. At 31 December 2019 there were £Nil (2018: £Nil) borrowings of the other group companies covered by these guarantees.

The company also participates in a cash pooling arrangement with Pro Cam Europe Limited and Pro Cam CP Limited which includes a daily sweep of all bank account balances into Pro Cam CP Limited.

### 26. Related party transactions

The company has taken advantage of the exemption conferred in FRS102 not to disclose transactions with entities where 100% of the voting rights are controlled within the group.

### 27. Controlling party

Pro Cam Europe Limited is the ultimate parent undertaking registered in England and Wales.

The largest and smallest group in which these accounts are consolidated is that headed by Pro Cam Europe Limited, copies of which may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

The ultimate controlling party of Pro Cam Europe Limited is AJ White, by virtue of his shareholding in that company.

# Notes to the financial statements

For the year ended 31 December 2019

## 28. Post balance sheet events

Subsequent to the year-end governments worldwide have introduced emergency measures to limit the spread of the Covid-19 virus which have resulted in significant restrictions on many aspects of economic activity.

The directors have considered the potential impact of Covid-19 on the company's principal activities. To date, the impact on the company, and its subsidiary, has been limited because the UK Government has recognised that maintaining a robust arable inputs supply chain is an essential part of food production. Whilst the company's principal activities (and those of our customers) have continued to operate without significant disruption, the directors have developed strategies to mitigate potential risks:

- Where necessary, working practices have been adapted to ensure that they are compliant with legal requirements and that our staff and customers remain as safe as possible.;
- Close co-operation with our suppliers has ensured that sufficient product has continued to be available to fulfil customer requirements;
- Operating from 18 depot locations across the UK provides the company, and its subsidiary, with the flexibility to deliver out of an alternative location in the event that an individual depot is forced to close temporarily following a localised Covid-19 outbreak.