

Pro Cam UK Limited

Annual report and financial statements

Registered number 02371155

31 December 2022

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Company information

Directors	DJ Parish (Chairman) ID Beswick CJ Butt AP Collingwood
Company secretary	IS Muir
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

Strategic report

Principal activities

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 2022 the Company generated a loss before taxation of £0.4 million (2021: *profit before taxation of £0.3 million*).

Pro Cam CP Limited, the Company's subsidiary undertaking, continued to trade profitably across all of its agronomy operations, and achieved a profit before taxation of £5.8 million during the year ended 31 December 2022 (2021: *£3.3 million*).

Business review

Whilst supply chain issues presented significant challenges in spring 2022, weather conditions were generally favourable for growers throughout the year, and strong output prices contributed towards increased sales for our UK agronomy business. The total wheat area for the 2021/22 cropping year was 1.8 million hectares. Although this was little changed from the previous year, favourable weather conditions helped establish better quality crops in autumn 2021 and provided a strong platform for the following spring season.

We continue to be cautiously optimistic about the prospects for our UK agronomy business in spring 2023 and beyond for the following reasons;

- the wheat area for the 2022/23 cropping year has been maintained at approximately 1.8 million hectares, most of which is well established. For most farmers, wheat remains their most profitable crop and it is in their interests to enhance yield by investing in crop protection and plant nutrition products; and
- whilst commodity prices have fallen back from the elevated levels prevailing after the Russian invasion of Ukraine in spring 2022 they remain relatively high by historical standards.

The Company is pleased to announce the appointment of Alex Collingwood as Managing Director with effect from 3 April 2023.

Ukraine

The Russian invasion of Ukraine in February 2022 represents a major threat to stability in the World and risks becoming a humanitarian catastrophe. The Company has made a substantial donation to the DEC appeal to support refugees from the conflict.

Economic sanctions against the Russian Federation and Belarus disrupted the supplies of *NPK* fertilisers as these countries are major suppliers of both the fertilisers and their component nutrients. Consequently, there has been significant price volatility for these products over the past year which is likely to continue for the foreseeable future.

Grain and oilseed price volatility has also increased as a result of the conflict and the consequent disruption of exports from Ukraine.

Whilst the war continues, global supply chains remain fragile and the threat of further disruption and price volatility remains.

Prospects for 2023 and beyond

The Company's strategy is to focus on its core agronomy and distribution businesses without the distraction of peripheral activities.

Seasonal weather conditions, product availability and output prices will remain important drivers of our yearly sales and profitability. In the longer-term, improving sustainability in food production will be essential as the World's population grows beyond 8 billion people at a time when there is an increasing focus on the impact of climate change. Food production will remain an important component of the economies of both the UK and Poland and this will support the continued demand for the services and products we supply.

Strategic report *(continued)*

Key performance indicators

The Company's financial and other key performance indicators are aligned with those of the wider group, of which the Company is a part, and are disclosed in the Strategic Report of Pro Cam Europe Limited, the ultimate parent company of Pro Cam UK Limited.

Statement required in connection with Companies Act 2006 Section 172

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment; and
- desirability of the Company maintaining a reputation for high standards of business conduct and need to act fairly between members of the Company.

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:

- Shareholders
- Employees
- Customers
- Suppliers.

Each of these stakeholder groups is considered in turn below.

Shareholders

We are a private limited company where the majority of the shares are held by the founders of the business or their families. Our shareholders have provided the capital which has enabled the business to grow, and it is appropriate that they receive an appropriate return on their investment through a combination of dividends and increased capital value.

The growth of Pro Cam over its 43-year history owes much to it being a business where the owners always retained a day-to-day connection with all of the other principal stakeholder groups. This continues with two members of the board of directors also being shareholders.

The shares held by Tony White, our founder, will be transferred into a family trust once the administration of his estate is completed. The board maintains a close dialogue with both the Trustees and the White family to ensure that they are kept up to date with developments in the business and their views are taken into consideration when planning for the future.

Strategic report *(continued)*

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

Employees

Our success is built on the commitment of all of our people: senior management, agronomists, logistics teams together with the support staff working from both our head offices and depot locations.

As is normal for large businesses, the Company's board of directors has delegated authority for day-to-day management of the UK and Polish agronomy businesses to Managing Directors who work closely with the Chairman overseeing execution of the business strategy and related policies. Both the UK and Polish businesses have established senior management teams which cover the delivery of agronomy services together with the commercial, technical, and administrative aspects of our operations.

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.

Pro Cam operates a defined contribution pension scheme, arranged through Aegon, which all UK employees are invited to join. Employees are also provided with the opportunity to consult with an Independent Financial Advisor to help plan their long-term financial security.

Customers

Our objective is to deliver customer satisfaction through a combination of expert advice from our agronomists and supplying the products they need to optimize returns from their crops.

The relationship between the grower and their agronomist is fundamental to the success of most farming businesses. For that reason, our agronomists will typically look after fewer customers than the typical independent agronomist enabling them to spend more time inspecting each grower's crops and providing immediate feedback and advice on how to optimize yields. This focus will become even more important as we help customers navigate the replacement of existing farm support schemes with the proposed Environmental Land Management Scheme.

Suppliers

Our product suppliers include 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.

Pro Cam is committed to being a reliable business partner and distributor of choice for our product suppliers. We meet with our key suppliers throughout the year to provide feedback on each other's performance and to identify opportunities for further improving collaboration.

Engagement with other stakeholders and the wider community

The debate about the future of food, both in the UK and globally is continuing to evolve. There is now an increased focus on the sustainability of both current production methods and diet choices as the World's population grows beyond 8 billion people and climate change becomes a reality. We consider that Pro Cam 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;
- 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;

Strategic report *(continued)*

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

Engagement with other stakeholders and the wider community *(continued)*

- We engage with the wider community in both the UK and Poland by publishing material on our YouTube channels and 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.

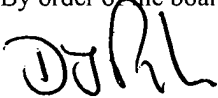
The most significant strategic risks facing our sector, and our approach towards their mitigation, have been identified as:

- 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.

Financial risks include the adequacy of the Company's working capital facilities. The Company maintains overdraft and other credit facilities with HSBC Bank UK PLC 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.

By order of the board



DJ Parish
Director

30 May 2023

Directors' report

The Directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to £404,000 (2021: profit after taxation of £359,000).

No dividends have been paid during the year (2021: £nil).

A dividend of £2,500,000 was paid on 31 March 2023 following the receipt of a dividend of £2,500,000 from Pro Cam CP Limited.

Directors

The Directors who served during the year and up to the date of this report were:

ID Beswick

CJ Butt

AP Collingwood - appointed 3 April 2023

DR Heath - resigned 3 April 2023

DJ Parish

Engagement with suppliers, customers and others in a business relationship with the Company

The details of engagement with suppliers, customers and others in a business relationship with the Company are included within the strategic report on pages 3 to 5.

Greenhouse gas emissions and energy consumption

The greenhouse gas emissions and energy consumption information of the Company is included in the Directors' report of the ultimate parent company, Pro Cam Europe Limited.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 2 to 5.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

By order of the board



DJ Parish

Director

30 May 2023

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual 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 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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 Pro Cam UK Limited

Opinion

We have audited the financial statements of Pro Cam UK Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 2022 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.

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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as the war in Ukraine and the cost-of-living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Pro Cam UK Limited *(continued)*

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 themselves. 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Independent auditor's report to the members of Pro Cam UK Limited *(continued)*

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below: The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the Company and determined that the most significant are those that relate to the operational environment, the financial reporting framework (FRS102 and Companies Act 2006) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including laws and regulations relating to employment matters, data security and protection, health and safety regulations and consumer credit licensing;
- We obtained an understanding of how the Company is complying with these legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes;
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborate this through our review of professional fees incurred during the period;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the susceptibility of the Company's financial statements to material misstatement including how fraud might occur. Audit procedures included:
 - Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud and the adequacy of procedures for authorization of transactions and internal review procedures;
 - Challenging assumption and judgments made by management in its significant accounting estimates;
 - Identifying and testing journal entries, in particular any large or unusual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
 - Assessing the extent of compliance with direct laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- It is the engagement partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations;
- The company's management have not noted any matters of non-compliance with laws and regulations of fraud that were communicated with the engagement team; and
- We completed audit procedures to conclude on the compliance of disclosures in the annual report and financial statements with applicable financial reporting requirements.

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. This description forms part of our auditor's report.

Independent auditor's report to the members of Pro Cam UK Limited *(continued)*

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.

Grant Thornton UK LLP

Timothy Taylor
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

30 May 2023

Statement of Comprehensive Income
for the year ended 31 December 2022

	<i>Note</i>	2022 £000	2021 £000
Turnover	3	306	482
Cost of sales		(217)	(250)
		<hr/>	<hr/>
Gross profit		89	232
Administrative expenses		(4,398)	(3,797)
Other operating income	4	3,900	3,900
		<hr/>	<hr/>
Operating (loss)/profit	4	(409)	335
Interest payable and similar charges	8	(11)	(27)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(420)	308
Tax credit on (loss)/profit on ordinary activities	9	16	51
		<hr/>	<hr/>
(Loss)/profit for the financial year after taxation		(404)	359
		<hr/> <hr/>	<hr/> <hr/>

All activities are continuing.

There are no items of other comprehensive income such that the loss above of £404,000 (2021: profit of £359,000) for the year ended 31 December 2022 equals total comprehensive income for the year.

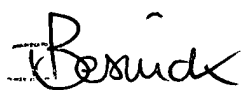
The notes on pages 15 to 27 form part of these financial statements.

Balance Sheet
at 31 December 2022

	<i>Note</i>	2022 £000	£000	2021 £000	£000
Fixed assets					
Intangible assets	<i>10</i>		88		99
Tangible assets	<i>11</i>		55		66
Investments	<i>12</i>		11,157		11,157
			<hr/>		<hr/>
			11,300		11,322
Current assets					
Debtors	<i>13</i>	255		429	
Cash at bank and in hand		2		3	
		<hr/>		<hr/>	
		257		432	
Creditors: amounts falling due within one year	<i>14</i>	(6,644)		(6,497)	
		<hr/>		<hr/>	
Net current liabilities			(6,387)		(6,065)
			<hr/>		<hr/>
Total assets less current liabilities			4,913		5,257
Creditors: amounts falling due after more than one year	<i>15</i>		(128)		(68)
			<hr/>		<hr/>
Net assets			4,785		5,189
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	<i>18</i>		550		550
Capital redemption reserve	<i>18</i>		2,205		2,205
Profit and loss account	<i>18</i>		2,030		2,434
			<hr/>		<hr/>
Shareholder's funds			4,785		5,189
			<hr/>		<hr/>

The notes on pages 15 to 27 form part of these financial statements.

These financial statements were approved by the board of directors on 30 May 2023 and were signed on its behalf by:



ID Beswick
Director

Company registered number: 02371155

Statement of Changes in Equity
for year ended 31 December 2022

	Called up share capital £000	Capital redemption reserve £000	Profit & loss account £000	Total equity £000
Balance at 1 January 2021	550	2,205	2,075	4,830
Total comprehensive income for the year				
Profit for the year	-	-	359	359
Balance at 31 December 2021	550	2,205	2,434	5,189
Balance at 1 January 2022	550	2,205	2,434	5,189
Total comprehensive loss for the year				
Loss for the year	-	-	(404)	(404)
Balance at 31 December 2022	550	2,205	2,030	4,785

The notes on pages 15 to 27 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Pro Cam UK Limited (the “Company”) is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02371155 and the registered address is 2020 Cambourne Business Park, Cambourne, Cambridge, Cambridgeshire, CB23 6DW.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (‘FRS 102’). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Pro Cam Europe Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Pro Cam Europe Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Pro Cam Europe Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosure:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.2 Going concern

In considering going concern, the Directors have had regard to the trading prospects within the Company's principal markets which are all contained within the food production supply chain. The Directors consider that the long-term importance of food security in the United Kingdom, together with the Company's well-established relationships with its customers and suppliers, underpins the demand for the services and products we supply and provides a stable platform for continued profitable trading.

The Group, of which the Company is part, has negotiated working capital facilities with its primary banker, HSBC Bank UK PLC. Whilst these facilities are technically repayable on demand, the Directors are not aware of any reasons why these facilities will not continue to be maintained for the foreseeable future.

The Company has prepared trading and cash flow forecasts extending to 30 June 2024. This analysis includes stress tests considering the impact of reduced sales levels and other downside scenarios, alongside an assessment of the actions which the Directors would consider implementing to protect profitability and maintain liquidity. These financial forecasts indicate that the Company will have sufficient financial resources to enable it to continue to operate for a period of at least twelve-months from the date of approval of these financial statements.

Having considered all of the above factors, the Directors remain confident of the long-term future prospects of the Company and its ability to continue as a going concern and therefore to continue to adopt the going concern basis in preparing the financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less 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.

1.6 Intangible assets

Intangible assets, including computer software acquired separately from a business combination, are capitalised at cost. Intangible assets are amortised on a straight-line basis over ten years.

Expenditure on software development is capitalised if

- the product or process is technically and commercially feasible;
- the Company intends and has the technical ability and sufficient resources to complete development;
- future economic benefits are probable; and
- the Company can measure reliably the expenditure attributable to the intangible asset during its development.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 *Impairment of assets* when there is an indication that goodwill or an intangible asset may be impaired.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the statement of comprehensive income over the estimated useful lives of each part of an item of tangible fixed assets. 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 reducing balance
- Furniture, fixtures and fittings - 25% per annum reducing balance and 33% per annum straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Notes (continued)

1 Accounting policies (continued)

1.8 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the statement of comprehensive income. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 Turnover

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, and including a deduction for rebates payable to customers

The following criteria must also be met before revenue is recognised:

- 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;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the supply of crop inputs is recognised on the delivery of the product to customers. Contract spraying revenue is recognised when the service is provided.

Rebates payable are recognised based on the contractual agreements with customers on an accruals basis.

1.11 Other operating income

Other operating income comprises management charges from group undertakings.

1.12 Dividend income

Dividend income is recognised in the statement of comprehensive income on the date the Company's right to receive payments is established.

1.13 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the statement of comprehensive income over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Significant accounting judgements and key sources of estimation uncertainty

The directors have not identified any significant judgements nor any estimates which may have a significant risk of material adjustment in the following period when preparing the financial statements.

3 Turnover

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

A geographical analysis of turnover is as follows:

	2022 £000	2021 £000
United Kingdom	264	389
Europe	42	93
	<hr/>	<hr/>
	306	482
	<hr/>	<hr/>

Notes (continued)

4 Operating profit/(loss)

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

	2022 £000	2021 £000
Operating lease rentals:		
- plant and machinery	101	87
- other operating leases	171	171
Loss/(gain) on foreign exchange	3	(17)
Profit on disposal of tangible assets	-	(7)
Other operating income – management charges	(3,900)	(3,900)
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £000	2021 £000
Audit of these financial statements	5	5
	<u> </u>	<u> </u>

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.

6 Staff numbers and costs

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

	Number of employees	
	2022	2021
Management and administration	31	33
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2022 £000	2021 £000
Wages and salaries	2,933	2,498
Social security costs	395	297
Pension costs	102	93
	<u> </u>	<u> </u>
	3,430	2,888
	<u> </u>	<u> </u>

Notes (continued)

7 Directors' remuneration

	2022 £000	2021 £000
Directors' remuneration	591	519
Company pension contributions to defined contribution pension schemes	4	4
Compensation for loss of office	459	-
	<u>1,054</u>	<u>523</u>

During the year retirement benefits were accruing to one director (2021: one) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,050,000 (2021: £519,000) and pension contributions of £4,000 (2021: £4,000) were made to a defined contribution pension scheme on their behalf.

8 Interest payable and similar expenses

	2022 £000	2021 £000
Other interest payable	11	27

9 Taxation

Total tax credit recognised in the statement of comprehensive income:

	2022 £000	2021 £000
Deferred tax		
Origination and reversal of timing differences	(50)	39
Adjustments to tax charge in prior periods	50	(90)
Changes in tax rates	(16)	-
Total deferred tax (see note 16)	<u>(16)</u>	<u>(51)</u>
Tax credit on (loss)/profit on ordinary activities	<u>(16)</u>	<u>(51)</u>

Notes (continued)

9 Taxation (continued)

Reconciliation of effective tax rate

The tax charge for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below

	2022 £000	2021 £000
(Loss)/profit for the year	(404)	359
Total tax credit	(16)	(51)
	<hr/>	<hr/>
(Loss)/profit excluding taxation	(420)	308
Tax using the UK corporation tax rate of 19% (2021: 19%)	(80)	59
Effects of:		
Expenses not deductible for tax purposes	7	2
Group relief surrendered (not paid for)	23	-
Adjustments in respect of prior periods	50	(90)
Changes in tax rates	(16)	(22)
	<hr/>	<hr/>
Total tax credit included in the statement of comprehensive income	(16)	(51)
	<hr/>	<hr/>

Factors impacting future tax changes

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's effective rate of tax. The deferred tax asset at 31 December 2022 has been calculated based on the rate of 25% substantively enacted at the balance sheet date.

10 Intangible assets

	Software £000
Cost	
Balance at 1 January 2022 and 31 December 2022	110
	<hr/>
Amortisation	
Balance at 1 January 2022	11
Amortisation for the year	11
	<hr/>
Balance at 31 December 2022	22
	<hr/>
Net book value	
At 1 January 2022	99
	<hr/>
At 31 December 2022	88
	<hr/>

The amortisation charge is recognised in administrative expenses in the statement of comprehensive income.

Notes (continued)

11 Tangible fixed assets

	Motor vehicles £000	Furniture, fixtures and fittings £000	Total £000
Cost			
Balance at 1 January 2022	2	555	557
Additions	-	13	13
Disposals	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	2	567	569
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
Balance at 1 January 2022	2	489	491
Depreciation charge for the year	-	24	24
Disposals	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	2	512	514
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 January 2022	-	66	66
	<hr/>	<hr/>	<hr/>
At 31 December 2022	-	55	55
	<hr/>	<hr/>	<hr/>

12 Fixed asset investments

	Investments in subsidiaries £000
Cost and net book value	
At 1 January 2022 and 31 December 2022	11,157
	<hr/>

The Company's 100% directly owned subsidiary is Pro Cam CP Limited, whose principal activity is agronomy and whose registered office address is 2020 Cambourne Business Park, Cambourne, Cambridge, Cambridgeshire, CB23 6DW.

The following are non-trading subsidiaries, where the Company owns 100% of the issued share capital (unless otherwise stated). The registered office address of subsidiaries is 2020 Cambourne Business Park, Cambourne, Cambridge, Cambridgeshire, CB23 6DW, with the exception of Robertson Crop Services Limited, where the registered office address is Scotsburn Road, Kildary, Ross-Shire, IV18 0NJ.

BCS Agriculture Limited *	Integrated Crop Management (SW) Limited *
Chemega Limited *	JD Rutherford Limited *
Countycrops Limited *	Pro Cam Agriculture Limited *
Cropstar Limited (50%)	Robertson Crop Services Limited *
Direct Farm Marketing Limited *	Quadrangle Limited (33% ownership) *
Farm Supply Company (Thirsk) Limited *	The Grain Maize Company Limited *
Field Options Limited *	Toadrage Limited
Fieldcare Limited *	
* - indirect subsidiary	

Notes (continued)

13 Debtors

	2022 £000	2021 £000
Trade debtors	1	43
Other debtors	22	138
Prepayments and accrued income	124	156
Deferred tax asset (see note 16)	108	92
	<u>255</u>	<u>429</u>

14 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	61	73
Other creditors	6	-
Amounts owed to group undertakings	4,048	4,252
Taxation and social security	1,420	1,505
Accruals and deferred income	1,037	519
Deferred consideration (see note 15)	72	148
	<u>6,644</u>	<u>6,497</u>

15 Creditors: amounts falling after more than one year

	2022 £000	2021 £000
Deferred consideration	-	68
Accruals and deferred income	128	-
	<u>128</u>	<u>68</u>

Deferred consideration comprises of two unsecured instruments:

- i. €81,000 (2021: €81,000) being £72,000 (2021: £68,000) at the balance sheet date. This amount bears interest at 5% per annum and is repayable on the occurrence of specified events linked to the employment status of the creditor.
- ii. £nil (2021: £148,000) at the balance sheet date. This amount bears interest at 6.25% per annum and is repayable on the occurrence of specified events linked to the employment status of the creditor. This amount was repaid on 24 May 2022.

Notes (continued)

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022 £000	2021 £000
Accelerated capital allowances	32	37
Tax losses	-	50
Other	76	5
	<hr/>	<hr/>
Net deferred tax asset	108	92
	<hr/>	<hr/>

The movement in deferred tax during the year comprised of the following:

	£000
Deferred tax asset at 1 January 2022	92
Credited to total comprehensive income (note 9)	16
	<hr/>
At 31 December 2022	108
	<hr/>

17 Employee benefits

Defined contribution plans

The total expense relating to defined contribution schemes is £102,000 (2021: £93,000).

18 Capital and reserves

Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
400,000 (2021: 400,000) Ordinary shares of £1 each	400	400
150,000 (2021: 150,000) 'A' Ordinary shares of £1 each	150	150
	<hr/>	<hr/>
	550	550
	<hr/>	<hr/>

The Ordinary shares and 'A' Ordinary shares rank pari passu in all material respects. The holders each class of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes (continued)

18 Capital and reserves (continued)

Reserves

Capital redemption reserve

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

Profit and loss account

This reserve is for recording accumulated profits and losses and certain items of other comprehensive income.

19 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2022 £000	2021 £000
Less than one year	230	240
Between one and five years	256	419
	<u>486</u>	<u>659</u>

20 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 borrowings of these companies. At 31 December 2022 and 2021, no amounts were drawn against these borrowings by 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.

21 Related parties

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with entities where 100% of the voting rights are controlled within the group.

22 Ultimate parent company and parent company of larger group

Pro Cam Europe Limited is the immediate and 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, Cardiff CF14 3UZ.

The ultimate controlling party is the estate of AJ White, whose executors are Anna White (his widow) and Mills & Reeve Trust Corporation Limited.