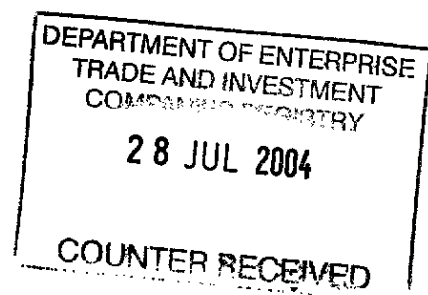


**Clarendon Agricare Limited**  
**Annual report**  
**for the year ended 26 September 2003**



# **Clarendon Agricare Limited**

## **Annual report for the year ended 26 September 2003**

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# **Clarendon Agricare Limited**

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## **Directors and advisers**

### **Directors**

DW Armour  
M Barrett  
MBW Bruce  
CWJ Coffey  
DA Venus

### **Secretary**

N Forristal

### **Registered office**

23 Seagoe Industrial Estate  
Portadown  
Co Armagh

### **Solicitors**

Arthur Cox  
Northern Ireland  
Stokes House  
17/25 College Square East  
Belfast

### **Bankers**

Ulster Bank Limited  
20 High Street  
Portadown  
Co Armagh

### **Registered auditors**

PricewaterhouseCoopers LLP  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LR

## Directors' report for the year ended 26 September 2003

The directors present their report and the audited financial statements for the year ended 26 September 2003.

### Principal activities

The principal activity of the company is that of the distribution of cropcare products and seeds.

### Review of business and future developments

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Results and dividends

The profit for the financial year is £152,626 (2002:£110,316). The directors do not recommend payment of a dividend.

### Directors and their interests

The directors who served during the year are shown on page 1. In accordance with the Articles of Association the directors are not required to retire by rotation. No director had any interest in the shares of the company at 26 September 2003, or at any time during the period.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs and of the profit or loss of the company for that period. In preparing those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

### Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board



N Forristal

Secretary

Date

22/7/04

## Independent auditors' report to the members of Clarendon Agricare Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, and the related notes.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Northern Ireland law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

### Basis of audit opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 26 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Belfast

Date 29 July 2004

# Clarendon Agricare Limited

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## Profit and loss account for the year ended 26 September 2003

	Notes	2003 £	2002 £
Turnover	2	3,667,310	3,440,893
Cost of sales		(2,986,593)	(2,781,487)
Gross profit		680,717	659,406
Other operating expenses	3	(446,052)	(462,573)
Operating profit		234,665	196,833
Interest payable		(1,712)	(2,889)
Profit on ordinary activities before taxation	6	232,953	193,944
Tax on profit on ordinary activities	7	(80,327)	(83,628)
Retained profit for the financial year	15	152,626	110,316

All amounts above relate to continuing operations of the company.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

## Balance sheet at 26 September 2003

	Notes	2003 £	2002 £
<b>Fixed assets</b>			
Intangible assets	8	225,060	240,064
Tangible assets	9	328,321	345,912
		<b>553,381</b>	<b>585,976</b>
<b>Current assets</b>			
Stocks	10	259,492	248,360
Debtors	11	2,452,928	1,576,606
Cash		328,523	395,422
		<b>3,040,943</b>	<b>2,220,388</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,888,839)</b>	<b>(1,252,832)</b>
<b>Net current assets</b>		<b>1,152,104</b>	<b>967,556</b>
<b>Total assets less current liabilities</b>		<b>1,705,485</b>	<b>1,553,532</b>
<b>Deferred taxation</b>	13	-	(673)
<b>Net assets</b>		<b>1,705,485</b>	<b>1,552,859</b>
<b>Capital and reserves</b>			
Called up share capital	14	1,117,721	1,117,721
Profit and loss account	15	587,764	435,138
<b>Equity shareholders' funds</b>	16	<b>1,705,485</b>	<b>1,552,859</b>

The financial statements on pages 4 to 11 were approved by the board on 22/7/04 and were signed on its behalf by:

*M. Barrett*

M Barrett

Director

**Notes to the financial statements for the year ended 26 September 2003****1 Accounting policies**

These financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with the Companies (Northern Ireland) Order 1986 and applicable accounting standards. The principal accounting policies adopted are set out below.

**Goodwill**

Purchased goodwill is eliminated by amortisation through the profit and loss account over its useful economic life. The useful economic life of the asset shown in Note 8 has been estimated by the directors at twenty years. Financial Reporting Standard (FRS)10 "Goodwill and Intangible Assets" requires goodwill to be accounted for as an asset and amortised over its useful economic life. Previously, on acquisition of a business, the company had the option of writing goodwill off directly against reserves.

**Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

		%
Freehold buildings	-	2 straight line
Plant and machinery	-	25 straight line
Motor vehicles	-	25 straight line

The cost of freehold land is not depreciated.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Foreign currencies**

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. All assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate. The resulting gain or loss is dealt with in the profit and loss account.

**Turnover**

Turnover represents the invoiced value of goods supplied during the year excluding value added tax and is net of sales returns, trade discounts and rebates. Revenue is recognised upon shipment of products, which is when title to the product is transferred to the customer.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

**Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year to which they relate.



## 1 Accounting policies (continued)

### Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation is charged to the profit and loss account on a straight line basis over the shorter of the lease terms and the useful lives of equivalent owned assets. Lease payments are treated as consisting of capital and interest elements and the interest is charged to revenue in proportion to the reducing capital element outstanding.

Rentals under operating leases are charged to revenue as incurred.

## 2 Analysis of turnover and results

Turnover and results relate to the company's main activity which is carried out in the United Kingdom.

## 3 Other operating expenses

	2003	2002
	£	£
Distribution costs	72,127	76,026
Administrative expenses	312,611	280,031
Establishment expenses	61,314	106,516
	446,052	462,573

## 4 Directors' emoluments

	2003	2002
	£	£
Aggregate emoluments (including benefits in kind)	63,345	61,646

Retirement benefits are accruing to one (2002: one) director under money purchase schemes.

## 5 Employee information

	2003	2002
	£	£
<b>Staff costs</b>		
Wages and salaries	180,713	174,941
Social security costs	17,746	19,212
Other pension costs	9,406	9,968
	207,865	204,121
	Number	Number
<b>Average monthly number of persons employed by the company (including directors) during the year by activity</b>		
Selling and distribution	6	6
Administration	4	4
	10	10

## 6 Profit on ordinary activities before taxation

	2003 £	2002 £
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Amortisation of goodwill	15,004	15,004
Depreciation charge for the year	20,091	21,948
Auditors' remuneration	6,350	6,100
Hire of other assets – operating leases	14,802	14,835

## 7 Tax on profit on ordinary activities

	2003 £	2002 £
<b>Current tax</b>		
United Kingdom corporation tax at 30%:		
Group relief payable	81,000	56,862
Adjustment in respect of previous periods	-	19,427
<b>Total current tax</b>	<b>81,000</b>	<b>76,289</b>
<b>Deferred tax</b>		
Accelerated capital allowances and other timing differences	(673)	7,339
<b>Total deferred tax</b>	<b>(673)</b>	<b>7,339</b>
<b>Tax on profit on ordinary activities</b>	<b>80,327</b>	<b>83,628</b>

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £	2002 £
<b>Profit on ordinary activities before tax</b>	<b>232,953</b>	<b>193,944</b>
Profit on ordinary activities multiplied by standard rate in the UK 30%	69,886	58,183
Effects of:		
Expenses not deductible for tax purposes	10,441	6,018
Accelerated capital allowances and other timing differences	673	(7,339)
Adjustments in respect of previous periods	-	19,427
<b>Current tax charge for the period</b>	<b>81,000</b>	<b>76,289</b>

## 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 28 September 2002 and 26 September 2003	300,080
<b>Aggregate amortisation</b>	
At 28 September 2002	60,016
Charge for the year	15,004
At 26 September 2003	75,020
<b>Net book value</b>	
At 26 September 2003	225,060
At 27 September 2002	240,064

Goodwill arose on the purchase by the company of the business and certain assets and liabilities of an agricare company. The goodwill is being amortised over a period of twenty years.

## 9 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 28 September 2002	350,000	47,732	12,057	409,789
Additions	-	2,500	-	2,500
At 26 September 2003	350,000	50,232	12,057	412,289
<b>Depreciation</b>				
At 28 September 2002	24,543	33,306	6,028	63,877
Charge for the year	7,000	10,081	3,010	20,091
At 26 September 2003	31,543	43,387	9,038	83,968
<b>Net book value</b>				
At 26 September 2003	318,457	6,845	3,019	328,321
At 27 September 2002	325,457	14,426	6,029	345,912

## 10 Stocks

	2003 £	2002 £
Goods for resale	259,492	248,360

## 11 Debtors

	2003 £	2002 £
Trade debtors	837,258	771,751
Amounts owed by group undertakings	1,496,330	762,603
Other debtors	104,183	36,023
Prepayments and accrued income	15,157	6,229
	<b>2,452,928</b>	<b>1,576,606</b>

## 12 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	1,398,751	819,464
Amounts due to group undertakings	-	88,198
Group relief payable	137,864	56,862
Other tax and social security	109,901	94,245
Accruals and deferred income	242,323	194,063
	<b>1,888,839</b>	<b>1,252,832</b>

## 13 Deferred taxation

	2003 £	2002 £
<b>Tax effect of timing differences arising on:</b>		
Excess of tax allowances over depreciation	9,000	10,273
Other	(9,000)	(9,600)
	-	673
		£
<b>Movement in the year:</b>		
At 28 September 2002		673
Profit and loss account		(673)
At 26 September 2003		-

## 14 Called up share capital

	2003 £	2002 £
<b>Authorised</b>		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
<b>Allotted and fully paid</b>		
1,117,721 ordinary shares of £1 each	1,117,721	1,117,721

## 15 Profit and loss account

	£
At 28 September 2002	435,138
Retained profit for the year	152,626
At 26 September 2003	587,764

## 16 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Opening shareholders' funds	1,552,859	1,442,543
Profit for the financial year	152,626	110,316
Closing shareholders' funds	1,705,485	1,552,859

## 17 Financial commitments

At 26 September 2003 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2003 £	2002 £
Within one year	6,736	4,571
In more than one year, but not more than five years	8,980	10,943
	15,716	15,514

## 18 Pension commitments

A defined contribution pension scheme is operated on behalf of the employees. The assets are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £9,406.

## 19 Ultimate and immediate parent companies

The directors regard Greencore Group plc, a company registered in the Republic of Ireland, as the ultimate parent company. Greencore UK Holdings plc which is registered in England and Wales had a 100% interest in the equity capital of Clarendon Agricare Limited. As such, the company is exempt from the reporting requirements of Financial Reporting Standards Nos 1 and 8.