

Annual Report

Year Ended 31 July 2010

Nufarm Limited
Wyke Lane, Wyke, Bradford, BD12 9EJ

Registered No 87911

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Nufarm Limited

Annual Report

Year Ended 31 July 2010

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Nufarm Limited

Directors' Report

For The Year Ended 31 July 2010

The Directors present their report and the audited financial statements for the year ended 31 July 2010. The comparative period is the year ended 31 July 2009.

1 Business Review

Up until 31 October 2009, the principal activity of the Company was the production of chemicals for use in agriculture.

On 31 October 2009 the assets and liabilities of the Company were transferred to Nufarm UK Limited for consideration of £34,167,000 ("the Asset Sale"). The Company has not traded since that point, nor is it intended to enter into trade in the future.

The results for the Company show a pre-tax profit of £1,518,000 (2009: £10,993,000) for the year and sales of £12,207,000 (2009: £80,201,000).

2 Directors

The Directors who held office during the period are given below:

K P Martin

D A Pullan

P A Williams

J R Austin (appointed 10 August 2009, resigned 16 October 2009)

M E Goddard (appointed 17 December 2009)

3 Directors' Indemnities

Certain Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

4 Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Nufarm Limited

Directors' Report

For The Year Ended 31 July 2010

4 Statement of Directors' Responsibilities (continued)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently
- make judgements and 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, and
- prepare the 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

5 Employees

The Company's policy is to give fair consideration to all applications for employment made by disabled persons, commensurate with their abilities and aptitudes and to ensure that they are trained and developed according to their needs. Employees becoming disabled during their employment will, where appropriate, receive training to enable them to continue their employment.

For many years the Directors have recognised the importance of good consultations and relations with employees. It is the Company's policy to ensure that effective communication takes place on a regular basis with regard to the performance and future prospects of the Company's operations.

Following the Asset Sale, all employment contracts were transferred to Nufarm UK Limited.

Nufarm Limited

Directors' Report

For The Year Ended 31 July 2010

6 Political and Charitable Donations

The Company made no political donations in the current or preceding year. No charitable donations were made in the current year (2009 £1,000)

7 Disclosure of Information to Auditors

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 auditors are unaware, and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

8 Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



P A Williams
Director

24 March 2011

Nufarm Limited

Independent auditors' report to the members of Nufarm Limited

We have audited the financial statements of Nufarm Limited for the year ended 31 July 2010 set out on pages 5 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Tim Widdas (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated 24 March 2011

Nufarm Limited

Profit And Loss Account

Year Ended 31 July 2010

	Note	2010 £'000	2009 £'000
Turnover	3	12,207	80,201
Change in stocks of finished goods and work in progress		1,263	3,166
Own work capitalised		47	336
Net other operating income	4	4	2,426
Raw materials and consumables		(5,898)	(37,695)
Other external charges		(4,272)	(20,493)
Staff costs	4	(2,855)	(11,401)
Depreciation and amortisation		(804)	(3,014)
Operating (loss)/profit before exceptional item	4	(308)	13,526
Exceptional item	4	2,385	-
Operating profit after exceptional item		2,077	13,526
Interest receivable and similar income		1	19
Interest payable and similar charges	7	(560)	(2,535)
Other finance expenditure	21.1	-	(17)
Profit on ordinary activities before taxation		1,518	10,993
Tax credit on profit on ordinary activities	8	215	553
Retained profit for the year	18,19	1,733	11,546

All of the results in the profit and loss account relate to discontinued activities

Nufarm Limited

Statement of Total Recognised Gains and Losses

Year Ended 31 July 2010

	Note	2010 £'000	2009 £'000
Profit for the financial year		1,733	11,546
Actuarial loss on pension scheme	19,211	-	-2,180
Movement on deferred tax relating to pension liability	19	-	610
Total recognised gains relating to the year		1,733	9,976

Statement of Historical Cost Profits And Losses

Year Ended 31 July 2010

	2010 £'000	2009 £'000
Reported profit on ordinary activities before taxation	1,518	10,993
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	43	172
Historical cost profit on ordinary activities before taxation	1,561	11,165
Historical cost profit for the financial year	1,776	11,718

Nufarm Limited

Balance Sheet

Balance Sheet as at 31 July 2010

	Note	31 July 2010 £'000	31 July 2009 £'000
Fixed assets			
Intangible assets	9	-	462
Tangible assets	10	-	40,193
Investments	11	-	-
		-	40,655
Current assets			
Stock and work in progress	12	-	15,064
Debtors falling due within one year	13	-	11,396
Debtors falling due after more than one year	13	34,167	3,364
Cash at bank and in hand		-	3
		34,167	29,827
Creditors - amounts falling due within one year	14	-	(15,544)
Net current assets		34,167	14,283
Total assets less current liabilities		34,167	54,938
Creditors - amounts falling due after more than one year	14	-	(18,097)
Provisions for liabilities and charges	16	-	(1,239)
Net assets excluding pension liability		34,167	35,602
Pension liability	21.1	-	(3,168)
Net assets including pension liability		34,167	32,434
Capital and reserves			
Called up share capital	17	12	12
Capital contribution		400	400
Share premium account		98	98
Revaluation reserve	18	-	7,960
Capital redemption reserve		4	4
Profit and loss reserve	18	33,653	23,960
Equity shareholders' funds	19	34,167	32,434

The financial statements on pages 5 to 24 were approved by the Board of Directors on 24 March 2011 and were signed on its behalf by



P A Williams
Director
Company number: 00087911

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

1 Accounting Policies

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 applicable accounting standards. The principal accounting policies are set out below.

1.1 Tangible Fixed Assets and Depreciation

With the exception of land and tenanted properties, all classes of tangible fixed assets are included at historical cost, which as permitted by the provisions of FRS 15 includes revalued amounts pre-dating the adoption of that standard.

Land and tenanted properties are subject to a full valuation every five years by a member of the Royal Institute of Chartered Surveyors, with an interim valuation carried out in the third year following the full valuation.

Depreciation on tangible fixed assets is calculated to write-off their cost or valuation on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Leasehold land	2%
Industrial buildings	5% to 50%
Plant and machinery	5% to 50%
Computers	20% to 33%

Accelerated depreciation on tangible fixed assets is calculated to write-down the remaining net book amount of tangible fixed assets, where the Directors feel that the useful economic life remaining of these assets requires revision to £nil.

Plant and machinery additions are depreciated from the period of commissioning.

Freehold land is not depreciated.

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

1.2 Intangible Fixed Assets and Amortisation

Expenditure on the development of specific new products, where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility, is capitalised and amortised over a period not longer than fifteen years commencing the period in which sales of the product are first made

Expenditure on general research and development is charged to the profit and loss account in the period in which it is incurred

1.3 Stocks

Stocks are stated at the lower of cost and net realisable value using the first in first out method. Cost comprises the direct cost of production and the attributable proportion of production overheads appropriate to location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

1.4 Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling by applying where applicable, the exchange rates obtained on forward currency contracts taken out prior to the period end. Other foreign currency assets and liabilities are translated into sterling at the exchange rate ruling at the balance sheet date. Differences arising on translation and on the conversion of ordinary foreign currency transactions during the period are dealt with as part of the profit or loss on ordinary activities.

1.5 Turnover

Turnover represents sales at invoice value net of trade discounts allowed and excluding value added tax and is recognised in accordance with sales terms of trade.

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

1.6 Post Retirement Benefits

The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any plan assets is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity rates approximating to the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit valuation method for past service and the attained age method for future service.

Actuarial gains and losses are recognised in full in the period in which they occur directly into equity through the statement of total recognised gains and losses. Current and past service cost, gains on any settlements and curtailments and finance charges are recognised in the profit and loss account.

Obligations for contributions to defined contribution pension plans are recognised in the profit and loss account as incurred.

1.7 Taxation

The charge for taxation is based on the result for the period. In accordance with FRS 19, deferred taxation has been recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. Deferred tax liabilities recognised have not been discounted.

1.8 Assets Acquired under Lease Contracts

Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at the end of each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

1.9 Government Grants

Government grants are recognised as income over the periods necessary to match them with the related costs for which they are intended to compensate.

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

2 Cash Flow Statement and Related Party Disclosures

The Company is included in the consolidated financial statements of Nufarm Limited, a company incorporated in the state of Victoria, Australia (the 'Ultimate Parent Undertaking'), which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Group or investees of the Group. See also note 25.

3 Segmental Reporting

In the opinion of the Directors the disclosure of an analysis of turnover and profit before taxation by geographical market would be seriously prejudicial to the Company's interests.

4 Operating (Loss)/Profit

	2010	2009
	£'000	£'000
Operating (loss)/profit is stated after charging		
Wages and salaries	2,587	9,438
Social security costs	219	882
Other pension costs (note 21)	49	1,081
Staff costs	2,855	11,401
Depreciation of tangible fixed assets (note 10)	804	2,955
Amortisation of intangible fixed assets (note 9)	-	59
Operating lease charges - hire of plant and machinery	27	119
Services provided by the Company's auditor		
Fees payable for the audit	-	46
Fees payable for other services - tax compliance	-	-
Fees payable for other services - other	-	-

The exceptional item in the year of £2,385,000 relates to the Asset Sale, being the difference between the consideration due and the net book value of those assets and liabilities as at 31 October 2009.

The auditor's remuneration for the year ended 31 July 2010 has been borne by a parent undertaking of the Company.

In 2009, net other operating income of £2,426,000 included £2,395,000 for the sale of access rights to certain toxicological data.

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

5 Directors' Emoluments

The cost associated with the services of directors is borne by other entities within the Group

6 Employee Information

All employment contracts as at 31 October 2009 have been transferred to Nufarm UK Limited and the numbers for the current year reflect the position as at 31 July 2010. The prior year's comparatives reflect the average for that period, including executive and non-executive directors

	2010 Number	2009 Number
Production	-	270
Sales and distribution	-	27
Administration	-	25
	-	322

7 Interest Payable and Similar Charges

	2010 £'000	2009 £'000
Interest payable on overdrafts and bank loans	50	429
Finance leases	510	2,106
	560	2,535

Nufarm Limited

Notes to the Financial Statements

Year-Ended 31 July 2010

8 Taxation on the Profit /(Loss) for the Year

	2010 £'000	2009 £'000
Current tax:		
UK corporation tax on profit/losses for the year	-	-
Total current tax	-	-
Deferred tax		
FRS17 adjustment	-	41
Origination and reversal of timing differences (ACA and other) (note 16)	(215)	(594)
Total deferred tax (credit)	(215)	(553)
Tax (credit) on loss on ordinary activities	(215)	(553)

The tax assessed for the year/period is lower than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit/(loss) on ordinary activities	1,518	10,993
Profit/loss on ordinary activities multiplied by standard rate in the UK 28% (2009 28%)	425	3,078
Effects of		
Income not taxable	(668)	-
Expenses not deductible for tax purposes	24	32
Difference between depreciation and capital allowances	202	800
Movement in short term timing differences	141	(7)
Utilisation of tax losses	(124)	(3,851)
FRS17 adjustment	-	(41)
Group relief claimed free of charge	-	(11)
Current tax for the year/period	-	-

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

9 Intangible Fixed Assets

	Product Development £'000
Cost	
At 1 Aug 2009	709
Additions	-
Disposals	(709)
At 31 July 2010	-
Accumulated amortisation	
At 1 Aug 2009	247
Charge for the year	-
Disposals	(247)
At 31 July 2010	-
Net book amount	
At 31 July 2009	462
At 31 July 2010	-

The amounts included within disposals all relate to the Asset Sale

10 Tangible Fixed Assets

	Land and Tenanted Properties £'000	Industrial Buildings £'000	Plant and Machinery £'000	Computing Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation						
At 1 August 2009	10,270	3,014	65,542	3,666	1,927	84,419
Additions	-	-	-	-	473	473
Disposals	(10,270)	(3,014)	(65,542)	(3,666)	(2,400)	(84,892)
At 31 July 2010	-	-	-	-	-	-
Accumulated depreciation						
At 1 August 2009	831	1,849	38,213	3,333	-	44,226
Charge for the year	51	23	685	45	-	804
Disposals	(882)	(1,872)	(38,898)	(3,378)	-	(45,030)
At 31 July 2010	-	-	-	-	-	-
Net book amount						
At 1 August 2009	9,439	1,165	27,329	333	1,927	40,193
At 31 July 2010	-	-	-	-	-	-

The amounts included within disposals all relate to the Asset Sale.

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

10 Tangible Fixed Assets continued

Assets in the course of construction are initially depreciated in the period when commissioning has been completed

The Company's major fixed assets were re-valued on 30 June 1996 by Eddisons Commercial Ltd. This valuation was carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Land was re-valued by Eddisons Commercial Ltd as at 1 July 2005. Tenanted properties were valued during the period ended 2 July 2006 by Heaton Surveyors in accordance with the RICS Appraisal and Valuation Manual. The Directors are not aware of any material changes in value to these assets and the accordingly the valuations have not been updated.

An analysis of the assets included at cost or valuation and the valuation basis used is given below.

Valuation basis used		2010	2009
		£'000	£'000
Land and tenanted properties	Prevailing market values	-	10,250
Industrial buildings	Depreciated replacement cost	-	1,240
Plant and machinery	Value to the business	-	14,180
Plant and machinery	Depreciated replacement cost	-	947
Computers	Value to the business	-	238
Total assets included at valuation		-	26,855
Total assets included at cost		-	57,464
Gross book amount		-	84,319

If the assets (including freehold land and properties, industrial buildings and plant and machinery and computers) had not been re-valued, they would have been included at the following amounts:

	2010	2009
	£'000	£'000
At cost	-	39,139
Aggregate depreciation	-	(32,433)
Net book amount based on historic cost	-	6,706

The net book amounts of assets held under finance lease contracts at 31 July 2010 was £nil (2009 land and buildings £9,888,000, plant and machinery £43,000). The depreciation charged for the period on these assets was land and buildings £71,000 (2009 £282,000) and plant and machinery £9,000 (2009 £36,000).

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

11 Fixed Asset Investments

The Company holds unlisted investments with a cost of £100 (2009 £100)

Name of Undertaking	Country of Registration	Issued Share Capital	Percentage Owned	Description
A H Marks Australia Pty Limited	Australia	A\$100	100%	Wholly owned subsidiary
Growell Limited	England	£100	50%	Joint venture
A H Marks New Zealand Limited	New Zealand	NZ\$1	100%	Wholly owned subsidiary

All three companies are not intended to enter into either trading or investment activities

12 Stock

	2010 £'000	2009 £'000
Raw materials and consumables	-	2,380
Work in progress and finished goods for resale	-	12,684
	-	15,064

13 Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Trade debtors	-	3,437
Trade debtors - amounts owed by group undertakings	-	1,460
Loans - amounts owed by group undertakings	-	5,037
Other debtors	-	593
Prepayments and accrued income	-	869
	-	11,396
Amounts falling due after more than one year		
Loans - amounts owed by group undertakings	34,167	-
Other debtors	-	3,364
	34,167	3,364

The amount owed by group undertakings included within loans relates to the Asset Sale

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

14 Creditors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Bank loans and overdrafts	-	3,836
Trade creditors	-	7,687
Trade creditors - amounts due to group undertakings	-	706
Finance leases	-	14
Taxation and social security	-	271
Other creditors	-	503
Accruals and deferred income	-	2,527
	-	15,544
Amounts falling due after more than one year		
Accruals and deferred income	-	1,597
Finance leases	-	16,500
	-	18,097

Amounts due to group undertakings have arisen through normal trading activities and are unsecured and interest free

15 Loans and Other Borrowings

	2010 £'000	2009 £'000
Bank loans and overdraft	-	3,836
Finance leases	-	16,514
	-	20,350
Maturity of financial liabilities		
Bank loans and overdrafts repayable in one year or less	-	3,836
Finance leases repayable in one year or less	-	14
Finance leases repayable between one and five years	-	-
Finance leases repayable in more than five years	-	16,500
	-	20,350

The Company had an asset based lending facility secured against its trade debtors and inventory that was terminated during the year. The total amount outstanding as at 31 July 2009 amounted to £3,836,000 and is included within bank loans and overdraft repayable in one year or less.

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

16 Provision for Liabilities and Charges

There is no current provision for deferred taxation. The total (assets)/liabilities including the amounts un-provided are as follows:

	2010 Amount Provided £'000	2009 Amount Provided £'000	2010 Amount Unprovided £'000	2009 Amount Unprovided £'000
Accelerated capital allowances	-	923	-	-
Short term timing differences	-	(6)	-	-
Losses	-	(849)	-	-
Capital gains	-	1,171	-	-
Potential taxation on revaluation of freehold land and properties	-	-	-	147
Deferred tax excluding that relating to pension liability	-	1,239	-	147
Pension liability (note 21.1)	-	(1,232)	-	-
Total provision for deferred tax	-	7	-	147
1 August 2009	7			
Deferred tax charged in the profit and loss account	(215)			
Disposals - Asset Sale	208			
31 July 2010	-			

17 Called Up Share Capital

There has been no change in share capital during the year.

	Authorised 2010 and 2009		Allotted, called up and fully paid 2010 and 2009	
	Number	£'000	Number	£'000
Ordinary shares of 5p each	400,000	20	237,000	12

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

18 Reserves

	Revaluation Reserve £'000	Profit and Loss Reserve £'000
1 August 2009	7,960	23,960
Retained profit for the year	-	1,733
Actuarial loss on pension scheme	-	-
Movement on deferred tax relating to pension scheme	-	-
Transfer to profit and loss reserve	(7,960)	7,960
31 July 2010	-	33,653
Pension deficit		-
Profit and loss reserve excluding pension deficit		33,653

19 Reconciliation of Movements in Shareholders' Funds

	2010 £'000	2009 £'000
Opening shareholders' funds	32,434	22,458
Retained profit for the year	1,733	11,546
Actuarial loss on pension scheme	-	(2,180)
Movement on deferred tax relating to pension scheme	-	610
Closing shareholders' funds	34,167	32,434

20 Contingent Liabilities

On 25 April 2008 the Company entered into a supplemental deed to become a guarantor to the Negative Pledge Deed dated 3 October 2004 entered into by the Ultimate Parent Undertaking and certain of its subsidiaries as guarantors in favour of certain lenders. All parties to the deed will guarantee to each specified lender payment in full of any amount owed to such lender by any guarantor party upon winding-up of that party.

There are no contingent liabilities (2009 £20,000 in respect of indemnities to HM Revenue and Customs).

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

21 Pension Commitments

21.1 Defined Benefit Scheme

The Company operated a defined benefit pension scheme based on final pensionable salary with assets held in a separately administered fund. The scheme is closed for new members. An actuarial valuation of the scheme was carried out as at 1 April 2007 by HSBC Actuaries and Consultants Limited. The valuation methods used were the projected unit method for past service and the attained age method for future service costs. The liabilities of the scheme on the FRS 17 assumptions as at 31 July 2010 were included as part of the Asset Sale and the position of the scheme is disclosed in the financial statements of that company.

The amounts recognised in the balance sheet are as follows

	31 July 2010 £'000	31 July 2009 £'000
Present value of funded obligations	-	30,963
Fair value of scheme assets	-	(26,563)
Deficit	-	4,400
Related deferred tax asset	-	(1,232)
Net liability	-	3,168

	31 July 2010 £'000	31 July 2009 £'000
Amounts charged to operating profit		
Current service cost	-	686
Curtailement gain	-	-
	-	686
Amounts debited/(credited) to other finance income		
Interest cost on obligation	-	1,933
Expected return on scheme assets	-	(1,916)
	-	17
Total amounts recognised in profit and loss	-	703

The actual return on scheme assets is recognised in the financial statements of Nufarm UK Limited (2009: £590,000 loss)

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

21.1 Defined Benefit Scheme continued

Changes in the present value of the defined benefit obligation are as follows

	31 July 2010 £'000	31 July 2009 £'000
Opening defined benefit obligation	30,693	30,120
Current service cost	-	686
Interest cost	-	1,933
Gains on curtailments	-	-
Actuarial (gains) (recognised in the STRGL)	-	(326)
Benefits paid	-	(1,450)
Liability transferred as part of Asset Sale	(30,693)	-
Closing defined benefit obligation	-	30,963

Changes in the fair value of the defined benefit scheme assets are as follows

	31 July 2010 £'000	31 July 2009 £'000
Opening fair value of scheme assets	26,563	27,755
Expected return on scheme assets	-	1,916
Actuarial losses (recognised in the STRGL)	-	(2,506)
Contributions by employer	-	848
Benefits paid	-	(1,450)
Closing fair value of scheme assets - transferred as part of Asset Sale	26,563	26,563

Total actuarial losses recognised directly into equity through the statement of total recognised gains and losses (STRGL) are £nil (2009 £2,180,000) Cumulative losses of £8,158,000 have been so recognised

Scheme assets do not include any of the Company's own financial instruments, or any property occupied by the Company

The Company does not expect to contribute anything to the defined benefit scheme in the year ending 31 July 2011

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

21.1 Defined Benefit Scheme continued

The major categories of plan assets as a percentage of total plan assets are as follows

	31 July 2010	31 July 2009
	%	%
Equity-type assets	-	66
Bond-type assets	-	34
Cash	-	-
	-	100

The major assumptions used by the actuary were

Financial Assumptions	31 July 2010	31 July 2009
	%	%
Discount rate	-	6.20
Expected rate of return on scheme assets as at the start of each period	-	6.98
Rate of increase in salaries	-	3.20
Rate of increase of pensions	-	-
Non-pensioners	-	-
Post 05/04/1988 GMP	-	2.60
Subject to LPI - pre 01/04/2006 excess	-	3.00
Subject to LPI - post 31/03/2006 excess	-	2.25
Pensioners	-	-
Post 05/04/1988 GMP	-	2.10
Subject to LPI - pre 01/04/2006 excess	-	2.50
Subject to LPI - post 31/03/2006 excess	-	2.00
	-	-
Rate of revaluation of deferred pensions in excess of GMP	-	3.20
Inflation assumption non-pensioners	-	3.20
Inflation assumption pensioners	-	2.50

Demographic assumptions	31 July 2010	31 July 2009
	Years	Years
Longevity at age 65 for current pensioners		
-Men	-	19.4
-Women	-	22.2
Longevity at age 65 for future pensioners		
-Men	-	19.6
-Women	-	22.4
Cash commutation allowance amount of pension commuted for cash	-	Maximum

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

21.1 Defined Benefit Scheme continued

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Amounts for the current and previous four periods are as follows

	2010 £000's	2009 £000's	2008 £000's	2007 £000's	2006 £000's
Defined benefit obligation	-	(30,963)	(30,120)	(28,384)	(29,036)
Plan assets	-	26,563	27,755	28,696	27,535
(Deficit)/surplus	-	(4,400)	(2,365)	312	(1,501)
Experience adjustments on plan liabilities	-	-	(6)	(2,415)	388
Experience adjustments on plan assets	-	(2,506)	(2,758)	903	1,561

21.2 Defined Contribution Schemes

The contributions payable by the Company to defined contribution plans in the year were £49,000 (2009 £395,000) of which none was outstanding (2009 £34,000).

22 Capital Commitments

	2010 £'000	2009 £'000
Contracted for but not provided in the financial statements	-	461

23 Financial Commitments

At 31 July 2010 the Company had no commitments under non-cancellable operating leases

	2010 £'000	2009 £'000
Within one year	-	7
Within two to five years	-	102
	-	109

The Company entered into a significant take or pay contract for the purchase of combined utilities that commenced in January 1996 for 20 years. The non-discounted value of the remaining commitment is included in the financial statements of Nufarm UK Limited (2009 £4,952,320).

Nufarm Limited

Notes to the Financial Statements

Year Ended 31 July 2010

24 Financial Instruments

The Company held no outstanding forward foreign currency contracts (2009 fair value £58,000)

25 Ultimate Parent Undertaking

The immediate parent undertaking is A H Marks Holdings Limited

The Ultimate Parent Undertaking is also the controlling party which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Company Secretary at Nufarm Limited, 103-105 Pipe Road, Laverton North, Victoria 3026, Australia or the website nufarm.com