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Kemira Specialty Crop Care B.V.
(formerly Liprokem B.V.)

Annual Report 2002

**FOR PUBLICATION
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COMPANIES HOUSE

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Kemira Specialty Crop Care B.V. (formerly Liprokem B.V.)

Balance sheet as at 31 December 2002

(after appropriation of result)

	31 December 2002		31 December 2001	
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Fixed assets		-		-
Inventories	700		-	
Receivables	26,392		10	
Liquid assets	2,635		-	
Current assets	29,727		10	
Current liabilities	31,896		-	
Net current assets		-2,169		10
Assets less current liabilities		-2,169		10
Shareholder's equity				
Called and paid-in share capital		18		18
Share premium reserve		-		-
Accumulated losses		-2,187		-8
		-2,169		10

The notes on pages 4 through 7 form an integral part of these financial statements.

Notes to the financial statements

General

Kemira Specialty Crop Care B.V., formerly Liprokem B.V. ("the Company"), is part of the group of which Kemira Oyj is the ultimate parent company. The financial and other data of the Company is (ultimately) consolidated with that of Kemira Oyj, Helsinki, Finland. The accounts of the latter company are available from its offices in Helsinki.

Until 1 August 2002, the Company was dormant. Effective that date the Company provides services to other Kemira group companies regarding the trading of specialty crop care products on a commissionaire basis. The Company's UK Branch acts as a trading company in the United Kingdom.

Basis of presentation

Further to Article 396 part 9 Book 2 of the Dutch Civil Code Book, the Company classifies as a so-called 'small company'. Accordingly, the financial statements are presented taking into account the exemption facilities of this Article.

The net current liabilities of EUR 2.2 million as at 31 December 2002 may raise questions about the ability of the company to continue as a going concern. However, mayor portion of the current liabilities represent payables to Kemira group companies in respect of the company's role as commissionair whereby payment is in principle due following collection of related receivables. The company is also currently financed through short-term loans provided by its ultimate parent company. Management believes that the company will generate sufficient cash flows and will have the necessary financing to enable the company to continue as a going concern. Consequently, these financial statements have been prepared on a going concern basis.

Currency translation

All assets and liabilities expressed in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transaction conducted in foreign currencies translated at the exchange rates approximating those ruling at the date of the transactions. Differences arising on translation are processed in the profit and loss account.

Accounting principles for valuation and the determination of the result

The financial statements have been prepared under the historical cost convention. Unless mentioned otherwise, all assets and liabilities have been stated at their face values.

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Inventories

Inventories are stated at the lower of cost and net realizable value. Cost represents historic purchase prices determined on the "first in-first out" (FIFO) basis. Where applicable, provisions are formed to account for the effect of obsolescence and are applied to reduce the carrying value of the inventories.

Receivables

Receivables are stated at their face value less any provisions considered necessary.

Deferred taxes

Deferred taxes arising from timing differences between the commercial and fiscal valuation of assets and liabilities are calculated at the standard rate of corporation tax ruling at the balance sheet date.

Deferred tax assets, in excess of any deferred tax liabilities, are only recognized in the event that there is reasonable assurance of future profits that justifies attributing a carrying value to such deferred tax assets.

Long-term liabilities

These represent amounts outstanding at the balance sheet date that are due for redemption more than twelve months after the end of the financial year under review. The redemptions due within twelve months are classified under "current liabilities".

Net turnover

Net turnover represents the commissions received for services provided to other Kemira group companies. Net turnover of the UK Branch represents the invoiced value of goods and services supplied, net of turnover tax and discounts.

Cost and expenses

Cost and expenses are accounted for on an accrual basis applying the principle of matching income and expense.

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Taxation

Taxation for the financial year is calculated applying the standard rates of income tax to taxable income determined after taking account of the available fiscal facilities and allowances.

Notes to the balance sheet

Receivables

The majority of the accounts receivables are due within one year.

Liquid assets

Represent cash in hand and bank balances and are freely available.

Shareholder's equity

Called-up and paid-in share capital

As at 31 December 2002, the authorized share capital of the Company amounted to EUR 90,000 comprising 9,000 ordinary shares with a nominal value of EUR 10 each of which 1,815 shares have been issued fully called up and paid-in.

Employee information

The average number of personnel employed by the Company in the financial year was nil (2001: nil).

Rozenburg, 28 January 2004

Executive Directors:

J. van den Bosch

H.G.T. Helsen