

COMPANY REGISTRATION NUMBER 1653628

AGRI-CHEMICALS LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2013



MALDE & CO
Chartered Certified Accountants & Statutory Auditor
99 Kenton Road
Kenton Harrow
Middlesex
HA3 0AN

AGRI-CHEMICALS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of trading of fertilizers and chemicals, plant and machinery, crude salt and petroleum oil products

Sales excluding VAT rose by £196,850,840 to £653,774,097, an increase of 43.08%. This was predominantly due to the continued expansion of trade in petroleum products in Africa which the company continues to take advantage of with the credit line from the company's bankers. Interest costs have increased as a result. However, the company was able to increase the profit before tax due mainly to increased sales.

For the following year the company anticipates trading particularly in petroleum products to continue to grow as it tries to keep up with customer demand.

Looking to the future the company hopes to utilise its knowledge of the African market to continue to expand its petroleum products business whilst at the same time exploring other areas for development.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,339,245. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is an accepted part of doing business. The directors are responsible for identifying the principal risks and to develop and monitor appropriate controls to manage these risks based on their judgement.

The main financial risk of the company relates to defaults by the company's overseas trade debtors, fluctuations in the interest rates and foreign exchange rates. The company also has risks in relation to the regulatory and political environment in which it operates. These risks are regularly reviewed by the directors and appropriate decisions made.

DIRECTORS

The directors who served the company during the year were as follows:

Mr Ramesh S. Kansagra
Mr Bhupendra S. Kansagra

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 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). 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 year.

In preparing these financial statements, the directors are required to

AGRI-CHEMICALS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2013

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Malde & Co deemed to be reappointed in accordance with an elective resolution made under s 386 of the Companies Act 1985 which continues in force under Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that

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

Registered office
Portland House
69-71 Wembley Hill Road
Wembley
Middlesex
HA9 8BU

Signed by order of the directors



Bhupendra S. Kansagra
Company Secretary

Approved by the directors on 26 November 2013

AGRI-CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AGRI-CHEMICALS LIMITED

YEAR ENDED 31 MARCH 2013

We have audited the financial statements of Agri-Chemicals Limited for the year ended 31 March 2013. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 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 and express an opinion on 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

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 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

AGRI-CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AGRI-CHEMICALS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2013

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



KIRANKUMAR V MALDE FCCA
(Senior Statutory Auditor)
For and on behalf of
MALDE & CO
Chartered Certified Accountants
& Statutory Auditor

99 Kenton Road
Kenton Harrow
Middlesex
HA3 0AN

29 November 2013

AGRI-CHEMICALS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
TURNOVER	2	653,774,097	456,923,257
Cost of sales		<u>644,503,923</u>	<u>451,392,606</u>
GROSS PROFIT		9,270,174	5,530,651
Administrative expenses		<u>3,041,489</u>	<u>1,239,608</u>
OPERATING PROFIT	3	6,228,685	4,291,043
Interest receivable and similar income		<u>6,793</u>	<u>1,297</u>
Interest payable and similar charges	5	<u>(1,837,789)</u>	<u>(1,290,818)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,397,689	3,001,522
Tax on profit on ordinary activities	6	<u>1,058,444</u>	<u>785,834</u>
PROFIT FOR THE FINANCIAL YEAR		3,339,245	2,215,688
Balance brought forward		<u>10,204,892</u>	<u>7,989,204</u>
Balance carried forward		<u><u>13,544,137</u></u>	<u><u>10,204,892</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 11 form part of these financial statements

AGRI-CHEMICALS LIMITED

BALANCE SHEET

31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	<u>126,457</u>	<u>—</u>
CURRENT ASSETS			
Debtors	8	67,106,683	27,283,850
Cash at bank and in hand		<u>3,860,918</u>	<u>32,510,341</u>
		70,967,601	59,794,191
CREDITORS: Amounts falling due within one year	9	<u>57,544,921</u>	<u>49,584,299</u>
NET CURRENT ASSETS		13,422,680	10,209,892
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,549,137</u>	<u>10,209,892</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	5,000	5,000
Profit and loss account		<u>13,544,137</u>	<u>10,204,892</u>
SHAREHOLDER'S FUNDS	13	<u>13,549,137</u>	<u>10,209,892</u>

These accounts were approved by the shareholder and authorised for issue on 26 November 2013, and are signed on their behalf by



Mr Ramesh S Kansagra

Company Registration Number 1653628

The notes on pages 7 to 11 form part of these financial statements

AGRI-CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into UK Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into UK Sterling at the rate of exchange ruling at the beginning of the month of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

AGRI-CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2013 £	2012 £
United Kingdom	2,446,159	2,646,467
Africa	651,327,938	454,276,790
	<u>653,774,097</u>	<u>456,923,257</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2013 £	2012 £
Directors' remuneration	-	-
Net loss/(profit) on foreign currency translation	183,641	(500,400)

A fellow subsidiary bears the cost of the group's audit fee. It recharges the cost to the company through the management charge.

4. PARTICULARS OF EMPLOYEES

Solai Services Limited (a fellow subsidiary) has engaged all the company's personnel and bears all the costs. It recharges the cost to the company through the management charge.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable on bank borrowing	1,830,760	1,290,280
Other similar charges payable	7,029	538
	<u>1,837,789</u>	<u>1,290,818</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	1,059,972	785,834
Over/under provision in prior year	(1,528)	-
Total current tax	<u>1,058,444</u>	<u>785,834</u>

AGRI-CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2012 - 26%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>4,397,689</u>	<u>3,001,522</u>
Profit on ordinary activities by rate of tax	1,055,445	780,396
Expenses not deductible for tax	3,327	4,108
Other sundry tax adjusting items	1,200	1,330
Over/under provision prior year	(1,528)	-
Total current tax (note 6(a))	<u>1,058,444</u>	<u>785,834</u>

7. TANGIBLE FIXED ASSETS

	Freehold Property £
COST	
Additions	126,457
At 31 March 2013	<u>126,457</u>
DEPRECIATION	
At 1 April 2012 and 31 March 2013	-
NET BOOK VALUE	
At 31 March 2013	<u>126,457</u>
At 31 March 2012	-

Freehold property represents office space in the course of construction

8. DEBTORS

	2013 £	2012 £
Trade debtors	62,365,713	15,833,446
Amounts owed by group undertakings	-	1,214,081
Advance payment to suppliers	4,287,924	10,025,144
Other debtors	432,765	137,471
Prepayments and accrued income	20,281	73,708
	<u>67,106,683</u>	<u>27,283,850</u>

AGRI-CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

9 CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Bank loans and overdrafts	36,352,813	47,284,808
Trade creditors	1,680,980	1,440,601
Amounts owed to group undertakings	4,797,749	–
Other creditors including taxation		
Corporation tax	809,972	629,613
Other creditors	13,844,320	20,361
	<u>14,654,292</u>	<u>649,974</u>
Accruals and deferred income	59,087	208,916
	<u>57,544,921</u>	<u>49,584,299</u>

The bank loans and overdrafts are secured by various guarantees given by the immediate parent undertaking and other related parties (see note 11 below)

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013	2012
	£	£
Bank Loans and overdrafts	<u>33,289,474</u>	<u>45,707,500</u>

10. CAPITAL COMMITMENTS

At the year end, the company had capital commitments contracted for but not provided for in these financial statements of £281,360

11. RELATED PARTY TRANSACTIONS

The company has been under the ultimate control of a Kansagra Family Trust, which owns the entire issued share capital of Societe Generale De Gestion ET Services S A (SGGS) throughout the current and previous period

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 from disclosing details of transactions with other group companies

Details of transactions during the year with other group members, where the shareholding is less than 100%, are as follows

1) Goods amounting to £462,544,406 were sold to Nipco Plc At the balance sheet date £10,072,505 remained outstanding,

2) Goods amounting to £2,062,795 were sold to Bayswater Industries Ltd

The immediate and ultimate parent undertakings as well as a fellow subsidiary guarantees the company's bank loans and various supplier guarantees In addition the directors have jointly and severally given personal guarantees in respect of the bank loans

AGRI-CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2013

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013	2012
	£	£
Profit for the financial year	3,339,245	2,215,688
Opening shareholder's funds	<u>10,209,892</u>	<u>7,994,204</u>
Closing shareholder's funds	<u>13,549,137</u>	<u>10,209,892</u>

14. ULTIMATE PARENT COMPANY

Solar Holdings Limited is the company's immediate parent undertaking. The ultimate parent company is Societe Generale De Gestion ET Services S A (SGGS) a company incorporated in Panama.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Solar Holdings Limited. Copies of the group accounts of Solar Holdings Limited can be obtained from Portland House 69-71 Wembley Hill Road Wembley Middlesex HA9 8BU.