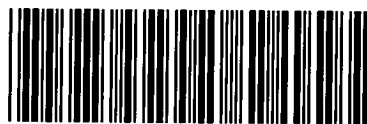


**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Year Ended 31 December 2022  
for  
AGRI-CHEMICALS LIMITED**

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# **AGRI-CHEMICALS LIMITED**

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## AGRI-CHEMICALS LIMITED

### Strategic Report for the year ended 31 December 2022

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The directors present their strategic report for the year ended 31 December 2022.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be procurement and sales of petroleum products, raw materials for mining, food and building industries, plant and machinery for a diversified portfolio of customers in Africa. The company's key financial and other performance indicators during the year were as follows:

Summary results of the company for the year are:

	<b>Year ended 31 December 2022 US\$</b>	<b>Year ended 31 December 2021 US\$</b>
Turnover	729.9m	506.6m
Gross profit	28.9m	19.9m
Operating profit	24.1m	14.1m
Profit after tax	20m	10.9m
Dividends paid	14.4m	0m
Net assets	54.2m	48.2m

Key performance indicators ('KPIs')

The Board monitors the progress of the company by reference to the following KPIs:

	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2021</b>	
Turnover	<b>US\$ 729.9m</b>	US\$ 506.6m	All market segments
Gross profit %	<b>3.96%</b>	3.94%	Ratio of Gross Profit to Turnover
Operating profit %	<b>3.30%</b>	2.79%	Ratio of Operating Profit to Turnover
Profit after tax %	<b>2.80%</b>	2.17%	Ratio of Profit after Tax to Turnover
Return on Equity %	<b>37.63%</b>	22.72%	Ratio of Profit after tax to Shareholder's Equity

The sale of petroleum products and lubricants continues to be the largest source of revenue for the company contributing 81.91% (year ended 31 December 2021 - 75.47%) of the total turnover.

**Strategic Report  
for the year ended 31 December 2022**

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In the fiscal year that ended on December 31, 2022, the company recorded sales of US\$729.9 million, marking a significant increase of 44.07% compared to the previous year's sales of US\$506.6 million. Additionally, the company's profit after taxation amounted to US\$20.4 million, demonstrating a substantial growth of 86.03% when compared to the previous year's profit of US\$10.9 million.

Despite significant challenges and uncertainties in the economy and market conditions, the directors are content with the company's financial performance throughout the year. They are pleased to report that the company is in a strong position to endure any potential adverse events that may arise in the future.

**PRINCIPAL RISKS, UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT**

Financial risk management is governed by the Board of directors and primarily cover foreign exchange risk, commodity price risk, credit risk, liquidity risk and interest rate risk. The principal object of this governance is the minimization of financial risks at a reasonable cost.

*Foreign exchange*

While the greater part of the company's revenues and expenses are denominated in US dollars, the company is exposed to some foreign exchange risk in the normal course of business, through purchases in Euros and Pounds Sterling.

*Commodity price risk*

The company is exposed to commodity price risk as a result of its operations. The company's oil-related products are subject to changes in the world commodity price for crude oil. Daily price monitoring systems used to determine selling prices enable the company to effectively manage the risk of gross margin erosion.

*Credit risk*

The company monitors its credit exposure closely in context of each customer and geography to an extent that there is a balance between risk & doing business.

*Liquidity risk*

The company actively maintains a mixture of medium-term and short-term debt finance, designed to ensure that the company has sufficient available funds for operations and planned expansions.

*Interest rate cash flow risk*

The company has both interest-bearing assets and interest-bearing liabilities. Interest bearing assets include only cash balances, some of which earn interest at variable rates. Interest bearing liabilities relate to bank facilities and the company is exposed to interest rate risk.

*Geopolitical risk*

We actively operate and explore potential opportunities in countries, regions, and cities that undergo political, economic and social transitions. Political instability, changes to the regulatory or taxation environment, international trade disputes and barriers to free trade, international sanctions, expropriation or nationalisation of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations (including any future epidemic or pandemic). These factors have the potential to disrupt or limit our operational activities, impacting the company's ability to execute its strategy.

To mitigate these risks, we maintain close engagement with industry associations, governmental bodies, and other relevant organizations. This allows us to stay informed about anticipated changes and actively participate in advocating for our interests. By proactively staying abreast of potential developments, we aim to ensure that our company remains resilient and adaptable in navigating challenges and capitalizing on opportunities.

With respect to each of the risks noted above the Directors regularly review such matters to mitigate their respective impact on the company.

### **SECTION 172(1) STATEMENT**

The directors are aware of their duties under section 172 of the Companies Act 2006 to act in a way that they consider to be in good faith and would most likely to promote the success of the Company for the benefit of the members as a whole. In doing so they have considered (amongst other matters) factors listed below:

- 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;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In addition to meeting the needs of our investors and financiers, we take pride in our relationships with our customers and suppliers.

### **Other key stakeholders**

**Customers:** Our procurement team has established close links to the market, access to products in niche segments as well as very strong relationships with our oil customers.

**Suppliers:** We have fostered enduring partnerships with our key suppliers, guaranteeing their adherence to the elevated standards of service and operational excellence that we strive for. Additionally, we have established robust alliances with prominent oil industry leaders.

**Personnel:** The company has no direct UK employees other than the directors.

We understand that our business can only grow and succeed over the long term if we recognise the views and needs of our stakeholders. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making.

Certain stakeholders are engaged directly at an operational and others at Group level. The company finds this is a more efficient and effective approach.

A culture of close collaboration with the stakeholders by the procurement and management team and directors supports an efficient and effective way of delivering value to our stakeholders.

### **STREAMLINED ENERGY AND CARBON REPORTING**

The company has taken exemptions from the requirements to disclose details of its CO<sub>2</sub> emissions and UK energy consumptions, by virtue of the required information being included in the group report of the parent undertaking.

## **AGRI-CHEMICALS LIMITED**

### **Strategic Report for the year ended 31 December 2022**

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#### **OVERSEAS BRANCHES**

The company has a branch in India.

#### **FUTURE DEVELOPMENTS**

By leveraging our proven operating model, we persist in propelling performance forward. Our ongoing strategy entails organic business growth by forging valuable partnerships with prominent suppliers within the oil sector. This approach remains our steadfast plan for further development.

#### **POST BALANCE SHEET EVENTS**

As of the date of this report, no significant events have occurred that have had a material impact on the company's operations or overall performance.

#### **ON BEHALF OF THE BOARD:**



B S Kansagra - Secretary

15 June 2023

## **AGRI-CHEMICALS LIMITED**

### **Report of the Directors for the year ended 31 December 2022**

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The directors present their report with the financial statements of the company for the year ended 31 December 2022.

The business review, future development, summary of risk and uncertainties facing the Company, details of exemptions from energy and carbon reporting and details of stakeholder relationships are shown in the Strategic Report under CA.2006s414C(11).

#### **DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2022 was \$14,400,000.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

B S Kansagra  
R S Kansagra

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AGRI-CHEMICALS LIMITED**

**Report of the Directors  
for the year ended 31 December 2022**

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**AUDITORS**

The auditors, Malde & Co, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



B S Kansagra - Secretary

15 June 2023



**Opinion**

We have audited the financial statements of Agri-Chemicals Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, 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 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.

**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 Auditors' 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**

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.

## **Report of the Independent Auditors to the Members of Agri-Chemicals Limited**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 this gives rise to 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 Report of the Directors.

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

**Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements by: a) the engagement partner ensuring that the team are competent and capable of recognising non-compliance with applicable laws and regulations. b) discussion with directors and other management (as required by auditing standards) on their policies and procedures regarding compliance with laws and regulations, c) inspection of the company's regulatory and legal correspondence, d) identifying and testing journals, in particular with unusual descriptions, e) through our general commercial and sector experience and f) we focused on specific laws and regulations including the Companies Act 2006 and tax legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, corruption practices, and certain aspects of relevant legislation in the countries where the company operates. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Owing to the inherent limitations in our audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Agri-Chemicals Limited**

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**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 a Report of the Auditors 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.



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

Date: 16 June 2023

**AGRI-CHEMICALS LIMITED****Statement of Comprehensive Income  
for the year ended 31 December 2022**

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	Notes	31.12.22 \$	31.12.21 \$
<b>TURNOVER</b>	3	<b>729,863,347</b>	506,612,424
Cost of sales		<b>(700,935,335)</b>	<b>(486,631,168)</b>
<b>GROSS PROFIT</b>		<b>28,928,012</b>	19,981,256
Administrative expenses		<b>(4,851,429)</b>	<b>(5,839,367)</b>
<b>OPERATING PROFIT</b>	5	<b>24,076,583</b>	14,141,889
Interest receivable and similar income	6	<b>967,864</b>	51,609
		<b>25,044,447</b>	14,193,498
Interest payable and similar expenses	7	<b>(454,197)</b>	<b>(1,797,796)</b>
<b>PROFIT BEFORE TAXATION</b>		<b>24,590,250</b>	12,395,702
Tax on profit	8	<b>(4,184,390)</b>	<b>(1,426,406)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>20,405,860</b>	10,969,296
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>20,405,860</b>	<b>10,969,296</b>

The notes on pages 14 to 23 form part of these financial statements

**AGRI-CHEMICALS LIMITED (REGISTERED NUMBER: 01653628)****Balance Sheet  
31 December 2022**

	Notes	31.12.22 \$	31.12.21 \$
<b>FIXED ASSETS</b>			
Tangible assets	10	418,027	478,409
<b>CURRENT ASSETS</b>			
Stocks	11	206,510	255,845
Debtors	12	216,985,119	175,974,639
Cash at bank and in hand		<u>52,797,594</u>	<u>5,039,161</u>
		269,989,223	181,269,645
<b>CREDITORS</b>			
Amounts falling due within one year	13	(216,126,395)	(133,400,313)
<b>NET CURRENT ASSETS</b>		<u>53,862,828</u>	<u>47,869,332</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		54,280,855	48,347,741
<b>PROVISIONS FOR LIABILITIES</b>	15	<u>(55,549)</u>	<u>(63,191)</u>
<b>NET ASSETS</b>		<u>54,225,306</u>	<u>48,284,550</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	7,014	7,014
Foreign currency translation reserve		(87,069)	(21,965)
Retained earnings		<u>54,305,361</u>	<u>48,299,501</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>54,225,306</u>	<u>48,284,550</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 June 2023 and were signed on its behalf by:



B S Kansagra - Director

The notes on pages 14 to 23 form part of these financial statements

**AGRI-CHEMICALS LIMITED****Statement of Changes in Equity  
for the year ended 31 December 2022**

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	<b>Called up share capital \$</b>	<b>Retained earnings \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Total equity \$</b>
<b>Balance at 1 January 2021</b>	7,014	37,330,205	-	37,337,219
<b>Changes in equity</b>				
Total comprehensive income	-	<u>10,969,296</u>	<u>(21,965)</u>	<u>10,947,331</u>
<b>Balance at 31 December 2021</b>	<u>7,014</u>	<u>48,299,501</u>	<u>(21,965)</u>	<u>48,284,550</u>
<b>Changes in equity</b>				
Dividends	-	(14,400,000)	-	(14,400,000)
Total comprehensive income	-	<u>20,405,860</u>	<u>(65,104)</u>	<u>20,340,756</u>
<b>Balance at 31 December 2022</b>	<u>7,014</u>	<u>54,305,361</u>	<u>(87,069)</u>	<u>54,225,306</u>

The notes on pages 14 to 23 form part of these financial statements

**1. STATUTORY INFORMATION**

Agri-Chemicals Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

**Registered number:** 01653628

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

The presentation currency of the financial statements is the US Dollar (\$).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the method used to translate the issued share capital to US dollars.

**Going Concern**

At the time of approving these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and the company's principle risks and uncertainties, including those arising from Covid-19 pandemic. As set out in these financial statements, the Company continued to generate profits after tax of \$20,405,860 for the year ended 31 December 2022 (2021: \$10,969,296) and as at the balance sheet date the Company had net assets of \$54,225,306 (2021: \$48,284,550). The company meets its day to day working capital requirements through use of its cash, overdraft and banking facilities.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.



2. ACCOUNTING POLICIES - continued

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates. The following summarises the judgements, estimates and assumptions that may cause amounts recognised or disclosed to change in following reporting periods:

*Debtor recoverability*

Where outstanding customer debt from 31 December 2022 is still to be wholly or partially recovered by the date of the approval of these financial statements, management has individually considered each such outstanding debt in terms of payment history, the status of the current commercial relationship and any future committed business in reaching their decision of the appropriate level of provision to make for each customer.

**Turnover**

Turnover from sales products and goods is recognised at the fair value of consideration received or receivable, excluding value added tax, when significant risks and rewards of ownership have been transferred. Transfer of risks and rewards occurs when the goods are dispatched.

**Tangible fixed assets**

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. The following rates applies:

Freehold property at 2% straight line basis.

Fixtures & fittings at varying rates from 10% to 32% on a straight line and reducing balance as considered appropriate.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Depreciation is charged on pro-rata basis for assets acquired or disposed of during the year.

**Stocks**

Stocks comprise of goods held which are ready for despatch to customers and are stated at the lower of cost and estimated selling price less costs to sell. When stocks are sold, the carrying amount of those stocks are recognised as an expense in the period in which the related revenue is recognised.

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation 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 in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

**Foreign currencies**

The functional and presentational currency is the United States Dollar as this is the currency of the economic environment in which the company predominantly operates. Transactions in other denominated foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in other currencies are translated at the exchange rates ruling at the date of financial position. Foreign exchange gains and losses are included in profit or loss.

**2. ACCOUNTING POLICIES - continued****Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

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.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	<b>31.12.22</b>	<b>31.12.21</b>
	<b>\$</b>	<b>\$</b>
United Kingdom	-	127,183
Europe	<b>566,066</b>	343,498
Africa	<b>729,165,396</b>	505,846,027
Rest of the world	<b>131,885</b>	295,716
	<b><u>729,863,347</u></b>	<b><u>506,612,424</u></b>

**4. EMPLOYEES AND DIRECTORS**

	<b>31.12.22</b>	<b>31.12.21</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	<b><u>198,607</u></b>	<b><u>138,190</u></b>

## AGRI-CHEMICALS LIMITED

### Notes to the Financial Statements - continued for the year ended 31 December 2022

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#### 4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31.12.22	31.12.21
Management	2	2
Administration	-	2
Distribution	<u>9</u>	<u>5</u>
	<u>11</u>	<u>9</u>
	31.12.22	31.12.21
	\$	\$
Directors' remuneration	<u>-</u>	<u>-</u>

The company has no direct UK employees other than the directors. The overseas branch employs its employees directly.

All other personnel working for the company are employed by a fellow subsidiary who charge a management fee.

#### 5. OPERATING PROFIT

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

	31.12.22	31.12.21
	\$	\$
Depreciation - owned assets	19,762	31,209
Profit on disposal of fixed assets	-	(1,935)
Auditors' remuneration	12,176	12,176
Auditors' remuneration for non audit work	2,334	2,334
Foreign exchange differences	<u>(48,176)</u>	<u>996,789</u>

#### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.12.22	31.12.21
	\$	\$
Bank interest receivable	750,949	1,776
Other interest receivable	-	357
Interest receivable from group undertakings	<u>216,915</u>	<u>49,476</u>
	<u>967,864</u>	<u>51,609</u>

**AGRI-CHEMICALS LIMITED****Notes to the Financial Statements - continued  
for the year ended 31 December 2022****7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.22	31.12.21
	\$	\$
Bank interest	396,000	1,667,689
Interest payable on group loan	<u>58,197</u>	<u>130,107</u>
	<u><b>454,197</b></u>	<u><b>1,797,796</b></u>

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.22	31.12.21
	\$	\$
Current tax:		
UK corporation tax	4,527,000	2,367,575
Adjustment in respect of prior years	(391,146)	(988,279)
Foreign tax	<u>56,578</u>	<u>39,327</u>
Total current tax	4,192,432	1,418,623
Deferred tax	<u>(8,042)</u>	<u>7,783</u>
Tax on profit	<u><b>4,184,390</b></u>	<u><b>1,426,406</b></u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.22	31.12.21
	\$	\$
Profit before tax	<u><b>24,590,250</b></u>	<u><b>12,395,702</b></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	4,672,148	2,355,183
Effects of:		
Expenses not deductible for tax purposes	3,147	5,323
Capital allowances in excess of depreciation	(8,042)	-
Depreciation in excess of capital allowances	-	7,783
Adjustments to tax charge in respect of previous periods	(391,146)	(988,279)
Other sundry tax adjusting items	(148,295)	7,069
Foreign tax	<u>56,578</u>	<u>39,327</u>
Total tax charge	<u><b>4,184,390</b></u>	<u><b>1,426,406</b></u>

# AGRI-CHEMICALS LIMITED

## Notes to the Financial Statements - continued for the year ended 31 December 2022

### 9. DIVIDENDS

	31.12.22 \$	31.12.21 \$
Ordinary shares of \$1 each		
Interim	<u>14,400,000</u>	<u>-</u>

### 10. TANGIBLE FIXED ASSETS

	Freehold property \$	Fixtures and fittings \$	Totals \$
<b>COST</b>			
At 1 January 2022	454,385	236,811	691,196
Additions	-	3,200	3,200
Exchange differences	<u>(45,320)</u>	<u>(12,836)</u>	<u>(58,156)</u>
At 31 December 2022	<u>409,065</u>	<u>227,175</u>	<u>636,240</u>
<b>DEPRECIATION</b>			
At 1 January 2022	48,532	164,255	212,787
Charge for year	5,938	13,824	19,762
Exchange differences	<u>(4,840)</u>	<u>(9,496)</u>	<u>(14,336)</u>
At 31 December 2022	<u>49,630</u>	<u>168,583</u>	<u>218,213</u>
<b>NET BOOK VALUE</b>			
At 31 December 2022	<u>359,435</u>	<u>58,592</u>	<u>418,027</u>
At 31 December 2021	<u>405,853</u>	<u>72,556</u>	<u>478,409</u>

### 11. STOCKS

	31.12.22 \$	31.12.21 \$
Stocks	<u>206,510</u>	<u>255,845</u>

**AGRI-CHEMICALS LIMITED****Notes to the Financial Statements - continued  
for the year ended 31 December 2022****12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	\$	\$
Trade debtors	211,900,785	155,646,813
Amounts owed by group undertakings	73,053	-
Other debtors	987	705,341
Advance payment to suppliers	4,527,852	16,753,861
Tax	-	199,619
VAT	379,426	320,681
Prepayments and accrued income	103,016	2,348,324
	<u>216,985,119</u>	<u>175,974,639</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22	31.12.21
	\$	\$
Bank loans and overdrafts (see note 14)	-	30,073,063
Trade creditors	76,381,169	51,604,533
Amounts owed to group undertakings	-	4,879,512
Tax	806,711	-
Other creditors	1,563	-
Advance payments and deposits from customers	136,133,544	18,501,524
Accruals and deferred income	2,803,408	28,341,681
	<u>216,126,395</u>	<u>133,400,313</u>

Included in the total creditors of \$216,126,395 (2021 - \$133,400,313), amounts totalling \$50,373,802 (2021 - \$59,881,459) are secured by way of a guarantee provided by the immediate parent undertaking.

**14. BANK OVERDRAFTS**

An analysis of the maturity of bank overdrafts is given below:

	31.12.22	31.12.21
	\$	\$
Amounts falling due within one year or on demand:		
Bank overdrafts	-	30,073,063

**AGRI-CHEMICALS LIMITED****Notes to the Financial Statements - continued  
for the year ended 31 December 2022****15. PROVISIONS FOR LIABILITIES**

	<b>31.12.22</b>	<b>31.12.21</b>
	<b>\$</b>	<b>\$</b>
Deferred tax		
Accelerated capital allowances	<u><b>55,549</b></u>	<u><b>63,191</b></u>
		<b>Deferred tax</b>
		<b>\$</b>
Balance at 1 January 2022		<b>63,191</b>
Other movements		<u><b>(7,642)</b></u>
Balance at 31 December 2022		<u><b>55,549</b></u>

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	<b>31.12.22</b>	<b>31.12.21</b>
			<b>\$</b>	<b>\$</b>
5,000	Ordinary	£1	<u><b>7,014</b></u>	<u><b>7,014</b></u>

**17. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Transactions with other subsidiaries are as follows:**

	<b>31.12.22</b>	<b>31.12.21</b>
	<b>\$</b>	<b>\$</b>
Sales	<b>616,259,270</b>	<b>406,116,045</b>
Amounts due from fellow subsidiary shown within trade debtors (note 12)	<b>153,313,185</b>	<b>119,355,374</b>
Advances and payments on account from fellow subsidiaries	<b>67,075,786</b>	<b>6,500,000</b>
Amounts due to fellow subsidiaries shown under creditors (note 13)	<u><b>67,075,786</b></u>	<u><b>6,500,000</b></u>



## **AGRI-CHEMICALS LIMITED**

### **Notes to the Financial Statements - continued for the year ended 31 December 2022**

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#### **18. ULTIMATE CONTROLLING PARTY**

The company's ultimate parent company and ultimate controlling party is Matel Limited a company incorporated in Jersey.

The parent undertaking of the largest and smallest group, which includes the company and for which group accounts are prepared is, Solai Holdings Limited, a company incorporated in the UK and whose registered office is Portland House, 69-71 Wembley Hill Road, Wembley, Middlesex, HA9 8BU. Copies of the group accounts of Solai Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The company's immediate controlling party is Solai Holdings Limited.