

# COMPANIES HOUSE

Company Number 4162533

**Omega Commodities Limited**

**Report and financial statements  
31 December 2008**

MONDAY



\*AMEGRGKH\*

A02

11/01/2010

3

COMPANIES HOUSE

# **Omega Commodities Limited**

## **Report and financial statements For the year ended 31 December 2008**

<b>Contents</b>	<b>Pages</b>
Officers and advisers	1
Directors' report	2 – 3
Auditors' report	4 – 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 -18

**Omega Commodities Limited****Officers and advisers****Directors**

Christakis Myrianthous

**Registered office**

Kenton House  
666 Kenton Road  
Harrow  
Middlesex HA3 9QN  
United Kingdom

**Secretary**

Xamitin Limited  
75 Prodromou Avenue  
Oneworld Parkview House  
2063 Nicosia  
Cyprus

**Auditors**

BDO Limited  
Certified Public Accountants  
(CY) and Registered Auditors  
75 Prodromou Avenue  
Oneworld Parkview House  
PO Box 25277  
1<sup>st</sup> and 2<sup>nd</sup> floor  
1308 Nicosia  
Cyprus

**Company number 4162533**

## **Omega Commodities Limited**

### **Directors' report for the year ended 31 December 2008**

#### ***Financial statements***

The director presents herewith his report and the audited financial statements of the company for the year ended 31 December 2008.

#### ***Directors' responsibilities***

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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;
- Prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business for the foreseeable future.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 regularities.

The directors are not aware of any relevant audit information which has not been made available to the auditors and have taken necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### ***Principal activity and business overview***

The company maintains a branch in Cyprus and its management and control is carried out in Cyprus.

## **Omega Commodities Limited**

### **Directors' report for the year ended 31 December 2008**

*(continued)*

The principal activity of the company during the year continues to be that of commodities trading.

The director believes that the company is in a good position to take advantage of any opportunities, which may arise in the future. The director does not anticipate any significant changes to the company's nature or level of operations.

#### ***Results***

The profit and loss account for the period is set out on page 6.

#### ***Dividends***

The Board of Directors did not recommend payment of dividends for the current year.

#### ***Future developments***

The company aims to maintain the current management and operational policies, which have resulted in sustaining a reasonable level of financial performance in the current year.

#### ***Review of significant risks***

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 17 of the financial statements.

#### ***Directors***

The director at the date of this report is shown on page 1. There were no changes in directors during the year.

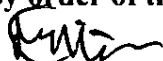
#### ***Director's interests***

The director does not have a beneficial interest in the share capital of the company.

#### ***Auditors***

In accordance with section 385 of the Companies Act 1985 a resolution proposing that Messrs BDO Limited be reappointed as auditors will be put to the Annual General Meeting.

**By order of the board,**



**Xamitin Limited  
Company Secretary**

**30 November 2009**

## **Independent auditors' report to the members of Omega Commodities Limited**

We have audited the financial statements of Omega Commodities Limited for the year ended 31 December 2008 which comprise the profit and loss account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statements of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

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

**Opinion**

In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Directors' Report is consistent with the financial statements.

**Emphasis of matter – related parties transactions**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 15 to the financial statements concerning the transactions with related parties. The Company carries out a large number of transactions with related parties. Due to their nature such transactions may be carried out on terms they are not on arms length basis. There were no practicable audit procedures that we could carry out to confirm or otherwise whether all transactions with related parties were carried out on an arms length basis and in that regard we have relied upon management's representations.

Certified Public Accountants (CY) and Registered Auditors

Nicosia, Cyprus  
30 November 2009

## Omega Commodities Limited

### Profit and loss account for the year ended 31 December 2008

	<u>Note</u>	2008 <u>US\$</u>	2007 <u>US\$</u>
Turnover	3	114.644.363	65.845.257
Cost of sales		(113.634.018)	(64.875.974)
Gross profit		<u>1.010.345</u>	<u>969.283</u>
Administrative expenses		(101.321)	(86.821)
<b>Profit from operations</b>	4	<u>909.024</u>	<u>882.462</u>
Interest receivable and similar income	5	11.409	23.958
Interest payable and similar charges	6	(463.720)	(527.398)
<b>Profit on ordinary activities before taxation</b>		<u>456.713</u>	<u>379.022</u>
Taxation on profit on ordinary activities	7	(50.784)	(45.740)
<b>Retained profit for the financial year</b>		<u>405.929</u>	<u>333.282</u>
Retained profits at 1 January		303.359	1.670.077
Dividends paid		-	(1.700.000)
<b>Retained profits at 31 December</b>		<u><u>709.288</u></u>	<u><u>303.359</u></u>

None of the company's activities were acquired or discontinued during the above two years and there were no recognized gains and losses for the current year and the previous financial year other than those included in the profit and loss account.

The notes on pages 9 to 18 form part of these financial statements.




# Omega Commodities Limited

## Balance sheet as at 31 December 2008

	<u>Note</u>	2008 <u>US\$</u>	2007 <u>US\$</u>
<b>Current assets</b>			
Stocks	9	643.077	4.598.827
Debtors	10	5.288.309	6.633.658
Cash at bank	14	781.987	545.356
		<u>6.713.373</u>	<u>11.777.841</u>
<b>Creditors: amounts falling due within one year</b>	11	(6.002.641)	(11.473.038)
<b>Net current assets</b>		<u>710.732</u>	<u>304.803</u>
<b>Total assets less current liabilities</b>		<u>710.732</u>	<u>304.803</u>
<b>Capital and reserves</b>			
Called-up share capital	12	1.444	1.444
Retained profits		709.288	303.359
<b>Equity shareholders' funds</b>	13	<u>710.732</u>	<u>304.803</u>

Approved by the director on 30 November 2009

  
 .....  
 Christakis Myrianthous  
 Director

The notes on pages 9 to 18 form part of these financial statements.

# Omega Commodities Limited

## Cash flow statement for the year ended 31 December 2008

	2008 <u>US\$</u>	2007 <u>US\$</u>
<b>Net cash inflow from operating activities (note 1)</b>	10.075.802	(2.723.183)
<b>Returns on investments and servicing of finance</b>		
Exchange losses	38.385	48.098
Interest paid	(502.105)	(575.496)
Interest received	11.409	23.958
	<u>9.623.491</u>	<u>(3.226.623)</u>
<b>Tax paid</b>	(39.190)	(48.300)
<b>Dividends paid</b>	-	(1.700.000)
	<u>9.584.301</u>	<u>(4.974.923)</u>
<b>Net (increase) / decrease in cash and cash equivalents</b>	<u>(8.803.061)</u>	<u>(3.828.138)</u>
Cash and cash equivalents at beginning of year		
	<u>781.240</u>	<u>(8.803.061)</u>
<b>Cash and cash equivalents at end of year (note 14)</b>	<u><u>781.240</u></u>	<u><u>(8.803.061)</u></u>

### Note 1 - Reconciliation of operating profit to net cash inflow/ (outflow) from operating activities

	<u>US\$</u>	<u>US\$</u>
Operating profit for the year	909.024	882.462
Depreciation charge	-	-
Decrease / (Increase) in debtors	1.345.349	(1.995.812)
Decrease / (Increase) in stocks	3.955.750	(3.524.765)
Increase in creditors	3.865.679	1.914.932
<b>Net cash inflow / (outflow) from operating activities</b>	<u><u>10.075.802</u></u>	<u><u>(2.723.183)</u></u>

The notes on pages 9 to 18 form part of these financial statements.

## **Omega Commodities Limited**

### **Notes to the financial statements for the year ended 31 December 2008**

#### **1 General**

##### ***Incorporation***

The company was incorporated in the United Kingdom, on 19 February 2001 as a limited liability company in accordance with the provisions of the companies Act 1985.

Its registered office is at Kenton House, Kenton Road 666, Harrow Middlesex HA3 9QN, United Kingdom.

The company's operations are carried out by its Cyprus Branch.

##### ***Principal activity***

The principal activity of the company is that of commodities trading.

#### **2 Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

##### ***Basis of preparation***

The financial statements, which are expressed in United States Dollars, have been prepared in accordance with Accounting Standards issued by the United Kingdom Accounting Standards Board, and the provisions of the Companies Act 1985. The financial statements have been prepared under the historical cost convention.

##### ***Revenue and expenditure recognition***

Turnover comprises the invoice value of goods sold, net of trade discounts. Revenue is recognised at the moment that significant risks and rewards of ownership of the goods have been transferred to the buyer.

Other revenues and all expenditure are recognised as earned or incurred on an accruals basis.

## **Omega Commodities Limited**

### **Notes to the financial statements for the year ended 31 December 2008**

#### **2 Accounting policies (continued)**

##### ***Foreign currencies***

The books and records of the company are maintained in United States Dollars, which is the principal operating and reporting currency of the company.

Foreign currency transactions are translated into United States Dollars at the rate of exchange ruling at the time of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated to United States Dollars at the rate of exchange ruling at the balance sheet date.

Exchange differences arising thereon are charged to the profit and loss account.

##### ***Taxation***

Provision is made for income tax on the taxable profit for the year at the appropriate rate in force.

The company's operations are carried out by its Cyprus branch and are subject to taxation in Cyprus by virtue of the fact that the branch is managed and controlled from Cyprus by its Cyprus resident director.

##### ***Fixed assets***

All fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated using the straight-line method to write off the cost of the fixed asset over its estimated useful life. The annual depreciation rate is as follows:

	%
Computer hardware	20

##### ***Stocks***

Stocks are stated at the lower of cost and net realizable value.

##### ***Trade debtors***

Trade debtors are carried at original invoice amount less provision made for doubtful debts based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

## Omega Commodities Limited

### Notes to the financial statements for the year ended 31 December 2008

#### 2 Accounting policies (continued)

##### *Provisions*

Provisions are recognised when the Company has a present obligation as a result of past events, if it is probable that an outflow of funds will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

##### *Cash and cash equivalents*

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

##### *Borrowings*

Borrowings are recorded at the initial amount advanced. Any differences between this amount and the amount to be repaid are amortised in proportion to the installments payable during the year of the loan and are included in finance costs. Interest costs on borrowings are recognized in profit and loss in the period which they are incurred.

#### 3 Turnover

Turnover represents the invoice value of commodities supplied by the company during the period, net of trade discounts.

The turnover is attributable to one continuing activity, commodities trading, and is wholly generated from geographical markets outside the United Kingdom.

Analysis by geographical market:

	2008 <u>US\$</u>	2007 <u>US\$</u>
Middle East	85.983.272	50.392.492
Europe	18.343.098	14.801.565
Africa	10.317.993	651.200
	<u>114.664.363</u>	<u>65.845.257</u>

# Omega Commodities Limited

## Notes to the financial statements for the year ended 31 December 2008

### 4 Profit from operations

Profit from operations is stated after charging the following:

	2008 <u>US\$</u>	2007 <u>US\$</u>
Administration expenses	9.546	3.413
Audit fees	22.500	19.000
Audit fees – prior year	-	8.654

### 5 Interest receivable and similar income

	2008 <u>US\$</u>	2007 <u>US\$</u>
Bank interest received	11.409	23.958

### 6 Interest payable and similar charges

	2008 <u>US\$</u>	2007 <u>US\$</u>
Bank charges and interest	174.185	162.240
Interest on bank overdraft	327.920	413.256
Interest payable on loan (note 11)	-	-
Realised exchange differences	(38.678)	(48.098)
Unrealised exchange differences	293	-
	<u>463.720</u>	<u>527.398</u>

# Omega Commodities Limited

## Notes to the financial statements for the year ended 31 December 2008

### 7 Tax on profit on ordinary activities

	2008 <u>US\$</u>	2007 <u>US\$</u>
Overseas corporation tax	49.643	43.344
Overseas defence tax contribution	1.141	2.396
	<u>50.784</u>	<u>45.740</u>

The tax charge is in respect of Cyprus corporation tax computed at the rate of 10 per cent on the chargeable profit for the year with regard to the operations of the Company that are carried out through its Branch in Nicosia, Cyprus for the year ended 31 December 2008.

The branch is managed and controlled in Cyprus and accordingly profits generated from its operations are subject to tax in the Cyprus Republic. The director is of the opinion that in accordance with the provisions of the Cyprus and the United Kingdom Treaty no further taxation is payable in the United Kingdom.

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is set out below:

	2008 <u>US\$</u>	2007 <u>US\$</u>
Accounting profit	456.713	379.022
Tax at the applicable tax rate	45.671	37.902
Tax effect of expenses not deductible for tax purposes	29	2.699
Tax effect of income not assessable to tax	(570)	(1.197)
Additional tax	4.513	3.670
Defence tax contribution	1.141	2.396
Tax charge for the year	<u>50.784</u>	<u>45.470</u>

# Omega Commodities Limited

## Notes to the financial statements for the year ended 31 December 2008

### 8 Tangible fixed assets

The Company holds computer hardware with an original cost of US\$ 1,035. These fixed assets are fully depreciated with a net book value of US\$ Nil.

### 9 Stocks

	2008 <u>US\$</u>	2007 <u>US\$</u>
Commodities held for resale stated at cost	<u>643.077</u>	<u>4.598.827</u>

### 10 Debtors

	2008 <u>US\$</u>	2007 <u>US\$</u>
Due within one year:		
Trade debtors	4.695.118	4.881.840
Advance payments to suppliers (I)	590.814	1.748.556
Prepayments	2.377	3.262
	<u>5.288.309</u>	<u>6.633.658</u>

- (I) Advance payment to suppliers represents payments made to acquire commodities, which have not been delivered to the company at the balance sheet date.



# Omega Commodities Limited

## Notes to the financial statements for the year ended 31 December 2008

### 11 Creditors: amounts falling due within one year

	2008 <u>US\$</u>	2007 <u>US\$</u>
Bank overdraft (note 14)	747	9.348.417
Trade creditors	1.927.728	1.926.872
Amount due to related party (note 15)	3.902.487	85.365
Other creditors	95.393	47.692
Taxation	76.286	64.692
	<u>6.002.641</u>	<u>11.473.038</u>
	<u>6.002.641</u>	<u>11.473.038</u>

### 12 Share capital

	2008 <u>US\$</u>	2007 <u>US\$</u>
Authorised and issued 1.000 ordinary shares of Stg£1 each	<u>1.444</u>	<u>1.444</u>

### 13 Reconciliation on movement of shareholders' funds

	2008 <u>US\$</u>	2007 <u>US\$</u>
Retained profit for the financial year	405.929	333.282
Dividends declared	-	(1.700.000)
Opening shareholders' funds	304.803	1.671.521
<b>Closing shareholders' funds</b>	<u>710.732</u>	<u>304.803</u>

## Omega Commodities Limited

### Notes to the financial statements for the year ended 31 December 2008

#### 14 Cash and cash equivalents

Cash and cash equivalents consist of bank balances held in the company's account and they comprise the following amounts:

	2008 <u>US\$</u>	2007 <u>US\$</u>
Cash at bank	781.987	545.356
Bank overdraft	(747)	(9.348.417)
	<u>781.240</u>	<u>(8.803.061)</u>

#### 15 Related party transactions

Except as disclosed in note 11, the following transactions were carried out with parties related by virtue of common control:

	2008 <u>US\$</u>	2007 <u>US\$</u>
Freight and transportation services rendered - net of rebates	14.644.195	12.404.322
	<u>14.644.195</u>	<u>12.404.322</u>
Interest free finance provided without specified repayment terms	3.902.487	85.365
	<u>3.902.487</u>	<u>85.365</u>

#### 16 Financial instruments

The main financial assets of the company are debtors and cash at bank. The main financial liabilities of the company are accounts payable and amount due to related party. According to the director the fair values of the company's financial assets and financial liabilities approximate their carrying amounts at the balance sheet date.

## **Omega Commodities Limited**

### **Notes to the financial statements for the year ended 31 December 2008**

#### **17 Financial risks**

The Company is exposed to interest rate risk, credit risk and currency risk. The risk management policies employed by the Company to manage these risks are discussed below.

##### *(a) Interest rate risk*

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company is not exposed to any material interest rate risk as company's borrowings do not carry interest.

##### *(b) Credit risk*

The Company is not exposed to any material credit risk as company's normal settlements period for trade receivables is less than a month and hence, all the trade receivables disclosed in note 9 have been recovered immediately after the year-end.

The Company's business is relying on only a few customers of which the largest accounts for over 25% of sales. There is therefore increased credit risk and business risk.

##### *(c) Currency risk*

The Company does not have significant currency risk exposure as substantially all assets and liabilities are denominated in United States Dollars.

##### *(d) Current financial and liquidity crises*

The ongoing global liquidity crisis which commenced in the middle of 2008 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and higher interbank lending rates. The uncertainties in the global financial market have also led to bank failures and bank rescues in the United States of America and Western Europe. Such circumstances could affect the ability of the Company and its customers to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions.

**Omega Commodities Limited****Notes to the financial statements  
for the year ended 31 December 2008***(continued)*

The customers or borrowers of the Company may also be affected by the lower liquidity situation which could in turn impact their ability to repay their amounts owed and the level of transactions with the Company. The Company trades in a variety of geographical markets and at present is unable to accurately assess the effect of the current economic crisis on these markets and therefore its future trading and profitability. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

**18 Fair values**

According to the directors of the company the fair values of the Company's financial assets and financial liabilities approximate their carrying amounts at the balance sheet date.

**19 Commitments and contingencies**

Company's management is not aware of any actual, pending or threatened claims against the company.

**20 Post balance sheet events**

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

**21 Exchange rate**

The relevant exchange rate at the balance sheet date was GB£0.6910 to US\$ 1. The average rate during the year then ended was GB£0.54491 to US\$ 1.

Auditors report on pages 4 and 5