

**REGISTERED NUMBER: 04504937 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016  
FOR  
AGROFERTRANS LTD.**

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**For The Year Ended 31 December 2016**

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**AGROFERTRANS LTD.**

**COMPANY INFORMATION**  
**For The Year Ended 31 December 2016**

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**DIRECTOR:** Maria Mondel-Watrak

**SECRETARY:** Peter Clive Cawthorne

**REGISTERED OFFICE:** Leonard House  
5 - 7 Newman Road  
Bromley  
Kent  
BR1 1RJ

**REGISTERED NUMBER:** 04504937 (England and Wales)

**AUDITORS:** Crane & Partners  
Chartered Accountants & Statutory Auditors  
Leonard House  
5 - 7 Newman Road  
Bromley  
Kent  
BR1 1RJ

**STRATEGIC REPORT**  
**For The Year Ended 31 December 2016**

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The director presents her strategic report for the year ended 31 December 2016.

**REVIEW OF BUSINESS**

In 2016 considerable efforts have been applied to follow the previously adopted strategy of diversification to production, distribution and research rather than simple trade.

**I. Production**

The Company established a Joint Venture "Belagrofert" in the city of Grodno, Belarus' and production of granular ammonium sulphate started on line number one in May 2017.

The first quantities of high quality product have been successfully sold to the great satisfaction of our customers.

The first line will be followed by four further production lines that will produce highly innovative mixtures of mineral, organo-mineral, organo-mineral-microbiological fertilisers together with a few pioneers paving a new era in fertilisation history.

This is the first step in development of the company as producer worldwide.

**II. Distribution**

Ukraine became a first trial country to develop distribution.

Regardless of the controversial situation and apprehensive attitude of banks due to political situation Ukraine remains of the most dynamic countries for development of fertilisers market. Ukraine is in the top 10 agricultural producers and top 5 agricultural exporters in the world.

The amount of fertilisers potentially needed is up to 8 million with current consumption of around 4.5 to 5 million. The company has developed a number of programs for entering the Ukrainian fertiliser distribution market.

1. Acquisition of a number of warehouses in order to be more feet on ground in local market and be closer to final consumer.
2. Establishing a Joint Venture Agrorozkvit Ltd. with the OJSC Belarus' Potash Company for distribution of all production of JSC Belaruskali. The Joint Venture Company is now successfully functioning bringing the product of the biggest MOP producer in the world to the final consumers.
3. Channelling agreements with a few major producers of nitrogen and phosphorous fertilisers for distribution of their products in Ukrainian market including OCP, Morocco are under finalisation stage.
4. Distribution of our own produced granular ammonium sulphate from JSC "Belagrofert".
5. The supply of numerous nitrogen fertilisers from the free market as well as the supply of so called specialise, bringing to farmers the 18 basic oligo elements so necessary in healthy and balanced fertilisation process.

**III. Research**

One most important direction for our development is scientific research and elaboration of unique combinations of products to bring to soil and plants optimal inputs.

The Company now has two own patents for the combination of mineral and microbiological components into one single fertilisers and continues working and researching for the creation of more formulas enhancing productivity and sanitising soils and plants.

**STRATEGIC REPORT  
For The Year Ended 31 December 2016**

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In cooperation with Academy of Science of Ukraine we signed the first basic agreements for the building in, 2017 - 2018, our own production of microbiological substances that have growing demand both in Eastern Europe and all over the World.

**ON BEHALF OF THE BOARD:**

Maria Mondel-Watrak - Director

16 June 2017

**REPORT OF THE DIRECTOR**  
**For The Year Ended 31 December 2016**

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The director presents her report with the financial statements of the company for the year ended 31 December 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2016.

**DIRECTOR**

Maria Mondel-Watrak held office during the whole of the period from 1 January 2016 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 director is 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 she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Crane & Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Maria Mondel-Watrak - Director

16 June 2017

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGROFERTRANS LTD.**

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We have audited the financial statements of Agrofertrans Ltd. for the year ended 31 December 2016 on pages seven to seventeen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

### **Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2016 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Director.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AGROFERTRANS LTD.**

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**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Graham Atkin FCA (Senior Statutory Auditor)  
for and on behalf of Crane & Partners  
Chartered Accountants & Statutory Auditors  
Leonard House  
5 - 7 Newman Road  
Bromley  
Kent  
BR1 1RJ

16 June 2017



**INCOME STATEMENT**  
For The Year Ended 31 December 2016

	Notes	2016 £	2015 £
<b>TURNOVER</b>		43,863,263	77,932,780
Cost of sales		<u>41,940,378</u>	<u>76,287,549</u>
<b>GROSS PROFIT</b>		1,922,885	1,645,231
Administrative expenses		<u>1,898,052</u>	<u>1,555,349</u>
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>	4	24,833	89,882
Tax on profit	5	<u>8,026</u>	<u>21,746</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>16,807</u>	<u>68,136</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME**  
For The Year Ended 31 December 2016

	Notes	2016 £	2015 £
<b>PROFIT FOR THE YEAR</b>		16,807	68,136
<b>OTHER COMPREHENSIVE INCOME</b>			
Foreign Currency translation adjustment		120,769	-
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>120,769</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>137,576</u>	<u>68,136</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**31 December 2016**

		2016	2015
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	6	36,470	68,854
Investments	7	<u>1,311,317</u>	<u>-</u>
		1,347,787	68,854
<b>CURRENT ASSETS</b>			
Stocks	8	258,055	382,995
Debtors	9	7,181,892	3,030,541
Cash at bank and in hand		<u>889,993</u>	<u>382,657</u>
		8,329,940	3,796,193
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>5,655,009</u>	<u>751,930</u>
<b>NET CURRENT ASSETS</b>		<u>2,674,931</u>	<u>3,044,263</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,022,718	3,113,117
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	<u>3,365,775</u>	<u>2,593,750</u>
<b>NET ASSETS</b>		<u>656,943</u>	<u>519,367</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,000,000	1,000,000
Retained earnings	14	<u>(343,057)</u>	<u>(480,633)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>656,943</u>	<u>519,367</u>

The financial statements were approved by the director on 16 June 2017 and were signed by:

Maria Mondel-Watrak - Director

**STATEMENT OF CHANGES IN EQUITY**  
**For The Year Ended 31 December 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2015</b>	1,000,000	(548,769)	451,231
<b>Changes in equity</b>			
Total comprehensive income	-	68,136	68,136
<b>Balance at 31 December 2015</b>	<u>1,000,000</u>	<u>(480,633)</u>	<u>519,367</u>
<b>Changes in equity</b>			
Total comprehensive income	-	137,576	137,576
<b>Balance at 31 December 2016</b>	<u>1,000,000</u>	<u>(343,057)</u>	<u>656,943</u>

The notes form part of these financial statements

**CASH FLOW STATEMENT****For The Year Ended 31 December 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,471,630	(246,680)
Tax paid		(21,577)	(7,361)
Net cash from operating activities		<u>1,450,053</u>	<u>(254,041)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(20,286)	(12,296)
Purchase of fixed asset investments		(1,311,317)	-
Amounts owing by group companies		701,007	-
Net cash from investing activities		<u>(630,596)</u>	<u>(12,296)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>819,457</u>	<u>(266,337)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	70,536	336,873
<b>Cash and cash equivalents at end of year</b>	2	<u>889,993</u>	<u>70,536</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**For The Year Ended 31 December 2016**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	£	£
Profit before taxation	24,833	89,882
Depreciation charges	52,670	37,799
Foreign Exchange Adjustment	120,769	-
	<u>198,272</u>	<u>127,681</u>
Decrease in stocks	124,940	3,222,956
(Increase)/decrease in trade and other debtors	(2,367,609)	12,029,047
Increase/(decrease) in trade and other creditors	3,516,027	(15,626,364)
<b>Cash generated from operations</b>	<u><b>1,471,630</b></u>	<u><b>(246,680)</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2016**

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	889,993	382,657
Bank overdrafts	-	(312,121)
	<u>889,993</u>	<u>70,536</u>

**Year ended 31 December 2015**

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	382,657	2,094,387
Bank overdrafts	(312,121)	(1,757,514)
	<u>70,536</u>	<u>336,873</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 December 2016**

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**1. STATUTORY INFORMATION**

Agrofertrans Ltd. is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**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.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Fixtures and fittings - 25% on reducing balance

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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**

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2016**

**3. EMPLOYEES AND DIRECTORS**

	2016 £	2015 £
Wages and salaries	<u>383,463</u>	<u>345,979</u>

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

	2016	2015
Office and administration	<u>25</u>	<u>24</u>

	2016 £	2015 £
Directors' remuneration	<u>6,488</u>	<u>15,213</u>

**4. OPERATING PROFIT**

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

	2016 £	2015 £
Depreciation - owned assets	52,670	37,799
Auditors' remuneration	8,000	8,000
Other non- audit services	14,580	17,423
Foreign exchange differences	<u>346,049</u>	<u>(46)</u>

**5. TAXATION**

**Analysis of the tax charge**

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

	2016 £	2015 £
Current tax:		
UK corporation tax	<u>8,026</u>	<u>21,746</u>
Tax on profit	<u>8,026</u>	<u>21,746</u>

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

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

	2016 £	2015 £
Profit before tax	<u>24,833</u>	<u>89,882</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	4,967	17,976
Effects of:		
Expenses not deductible for tax purposes	1,911	3,350
Depreciation in excess of capital allowances	<u>1,148</u>	<u>420</u>
Total tax charge	<u>8,026</u>	<u>21,746</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2016**

**5. TAXATION - continued**

**Tax effects relating to effects of other comprehensive income**

	Gross £	2016 Tax £	Net £
Foreign Currency translation adjustment	120,769	-	120,769
	<u>120,769</u>	<u>-</u>	<u>120,769</u>

**6. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>COST</b>	
At 1 January 2016	301,327
Additions	20,286
At 31 December 2016	<u>321,613</u>
<b>DEPRECIATION</b>	
At 1 January 2016	232,473
Charge for year	52,670
At 31 December 2016	<u>285,143</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>36,470</u>
At 31 December 2015	<u>68,854</u>

**7. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
Additions	1,311,317
At 31 December 2016	<u>1,311,317</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>1,311,317</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Agrofertrans Vietnam LLC**

Registered office: 78A Street 49, Tan Quy Ward, District 7, Ho Chi Minh City, Vietnam

Nature of business: Commodities

	%
Class of shares:	holding
Charter Capital	100.00

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2016**

**7. FIXED ASSET INVESTMENTS - continued**

**Sunagro Ukraine LLC**

Registered office: 72 Velyka Vasylkivska, Kyiv, 03150, Ukraine

Nature of business: Commodities

Class of shares:	%
Ordinary	holding 100.00

**Agrorozkvit LLC**

Registered office: 44B Evhena Konovaltsia st., Kyiv, 01133, Ukraine

Nature of business: Commodities

Class of shares:	%
Charter Capital	holding 40.00

**8. STOCKS**

	2016	2015
	£	£
Stocks	<u>258,055</u>	<u>382,995</u>

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	5,218,558	2,870,971
Amounts owed by group undertakings	1,783,742	-
Other debtors	47,341	44,773
VAT	25	-
Prepayments	<u>132,226</u>	<u>114,797</u>
	<u>7,181,892</u>	<u>3,030,541</u>

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

	2016	2015
	£	£
Bank loans and overdrafts (see note 12)	-	312,121
Trade creditors	3,092,454	299,959
Amounts owed to group undertakings	2,547,249	62,500
Tax	8,018	21,569
VAT	-	43,065
Other creditors	-	7,099
Accrued expenses	<u>7,288</u>	<u>5,617</u>
	<u>5,655,009</u>	<u>751,930</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Subordinated loan	<u>3,365,775</u>	<u>2,593,750</u>

The Subordinated Loan has resulted from an agreement between the parent company, AGFT Handel S.A., and the company's principal bankers. The agreement states that the parent company cannot withdraw loan funds without the prior written consent of the banks. Therefore, this amount has been shown as falling due greater than one year.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**For The Year Ended 31 December 2016**
**12. LOANS**

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>312,121</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

**14. RESERVES**

	Retained earnings £
At 1 January 2016	(480,633)
Profit for the year	16,807
Foreign currency adjustment	<u>120,769</u>
At 31 December 2016	<u>(343,057)</u>

**15. ULTIMATE PARENT COMPANY**

The immediate controlling party is AGFT Handel S.A., a company incorporated and registered in Mauritius.

**16. RELATED PARTY DISCLOSURES**

The following transactions took place between the company and its related parties during the period:

Company	Nature of relationship	Sold to £	Purchased from £	Balance due from/(to)at 31/12/16 £
AGFT Handel SA	Parent company	-	223,491	(3,365,774)
SunAgro Ukraine LLC	Subsidiary	-	-	-
Sunfert SA	Fellow subsidiary	3,598,740	-	(2,231,357)
Fertilife Industry Ltd	Common control	-	-	1,618,369

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.