

REGISTERED NUMBER: 04504937 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
AGROFERTRANS LTD

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For The Year Ended 31 December 2014

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AGROFERTRANS LTD

COMPANY INFORMATION
For The Year Ended 31 December 2014

DIRECTOR: R Malinin

SECRETARY: P C 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 2014

The director presents his strategic report for the year ended 31 December 2014.

REVIEW OF BUSINESS

The transformation of the company into a vertically integrated structure has continued during the year. As part of this strategy the capacity of the joint venture production facility in Lithuania has been increased and the range of products diversified with the objective to create a more successful and more diversified production and distribution activity.

A range of industrial products are the subject of feasibility studies prior to launching the production of niche products with high market demand and added value.

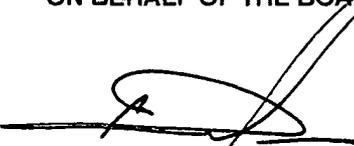
Alliances have been formed with a few local distributors in Africa and South East Asia in order to become closer to the final consumers and, resident companies have been launched in three new countries to facilitate sales within local markets. The company now has an effective presence in all targeted markets.

Bank facilities have been increased in quantity and ameliorated in quality

The overall range of products traded has been increased and now includes single and compound mineral fertilisers, organo-mineral and bio fertilisers.

The company is now ready to increase volumes and project better results in 2015.

ON BEHALF OF THE BOARD:



R Malinin - Director

28 May 2015

REPORT OF THE DIRECTOR
For The Year Ended 31 December 2014

The director presents his report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTOR

R Malinin held office during the whole of the period from 1 January 2014 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing 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 he 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 him to ensure that the financial statements comply with the Companies Act 2006. He 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.

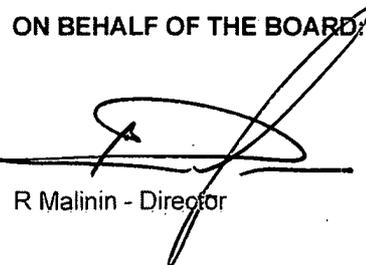
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 he 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.

AUDITORS

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

ON BEHALF OF THE BOARD:


R Malinin - Director

28 May 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGROFERTRANS LTD

We have audited the financial statements of Agrofertrans Ltd for the year ended 31 December 2014 on pages six to thirteen. 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 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 three, 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 2014 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 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.

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

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

28 May 2015

AGROFERTRANS LTD (REGISTERED NUMBER: 04504937)

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 December 2014

| | Notes | 2014 £ | 2013 £ |
|---|-------|----------------------|----------------------|
| TURNOVER | | 139,954,516 | 184,036,363 |
| Cost of sales | | <u>136,150,607</u> | <u>181,614,323</u> |
| GROSS PROFIT | | 3,803,909 | 2,422,040 |
| Administrative expenses | | <u>3,773,272</u> | <u>2,398,141</u> |
| OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | 30,637 | 23,899 |
| Tax on profit on ordinary activities | 4 | <u>7,183</u> | <u>7,236</u> |
| PROFIT FOR THE FINANCIAL YEAR | | <u><u>23,454</u></u> | <u><u>16,663</u></u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

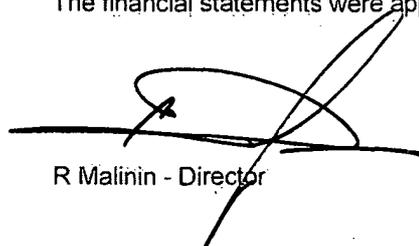
The notes form part of these financial statements

AGROFERTRANS LTD (REGISTERED NUMBER: 04504937)

BALANCE SHEET
31 December 2014

| | Notes | 2014 | | 2013 | |
|--|-------|------------|-----------|------------|-----------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 94,357 | | 54,996 |
| CURRENT ASSETS | | | | | |
| Stocks | 6 | 3,605,951 | | 6,142,747 | |
| Debtors | 7 | 15,059,588 | | 12,702,127 | |
| Cash at bank and in hand | | 2,094,387 | | 924,020 | |
| | | | | | |
| | | 20,759,926 | | 19,768,894 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 8 | 15,403,052 | | 14,396,113 | |
| NET CURRENT ASSETS | | | 5,356,874 | | 5,372,781 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 5,451,231 | | 5,427,777 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 9 | | 5,000,000 | | 5,000,000 |
| NET ASSETS | | | 451,231 | | 427,777 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 11 | | 1,000,000 | | 1,000,000 |
| Profit and loss account | 12 | | (548,769) | | (572,223) |
| SHAREHOLDERS' FUNDS | 15 | | 451,231 | | 427,777 |

The financial statements were approved by the director on 28 May 2015 and were signed by:



R Malinin - Director

The notes form part of these financial statements

AGROFERTRANS LTD (REGISTERED NUMBER: 04504937)

CASH FLOW STATEMENT
For The Year Ended 31 December 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|---------------------|---------------------|
| Net cash inflow/(outflow) from operating activities | 1 | 10,677,818 | (8,275,458) |
| Taxation | | (7,083) | (5,450) |
| Capital expenditure | 2 | (68,547) | (21,821) |
| Increase/(decrease) in cash in the period | | <u>10,602,188</u> | <u>(8,302,729)</u> |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net debt | 3 | | |
| Increase/(decrease) in cash in the period | | <u>10,602,188</u> | <u>(8,302,729)</u> |
| Change in net debt resulting from cash flows | | <u>10,602,188</u> | <u>(8,302,729)</u> |
| Movement in net debt in the period | | 10,602,188 | (8,302,729) |
| Net debt at 1 January | | <u>(10,265,315)</u> | <u>(1,962,586)</u> |
| Net funds/(debt) at 31 December | | <u>336,873</u> | <u>(10,265,315)</u> |

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 December 2014

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

| | 2014 £ | 2013 £ |
|--|-------------------|--------------------|
| Operating profit | 30,637 | 23,899 |
| Depreciation charges | 29,186 | 19,147 |
| Decrease/(increase) in stocks | 2,536,796 | (2,052,312) |
| (Increase)/decrease in debtors | (2,357,461) | 10,746,734 |
| Increase/(decrease) in creditors | 10,438,660 | (17,012,926) |
| Net cash inflow/(outflow) from operating activities | <u>10,677,818</u> | <u>(8,275,458)</u> |

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

| | 2014 £ | 2013 £ |
|---|-----------------|-----------------|
| Capital expenditure | | |
| Purchase of tangible fixed assets | (68,547) | (21,821) |
| Net cash outflow for capital expenditure | <u>(68,547)</u> | <u>(21,821)</u> |

3. **ANALYSIS OF CHANGES IN NET DEBT**

| | At 1.1.14 £ | Cash flow £ | At 31.12.14 £ |
|--------------------------|---------------------|-------------------|---------------------|
| Net cash: | | | |
| Cash at bank and in hand | 924,020 | 1,170,367 | 2,094,387 |
| Bank overdrafts | (11,189,335) | 9,431,821 | (1,757,514) |
| | <u>(10,265,315)</u> | <u>10,602,188</u> | <u>336,873</u> |
| Total | <u>(10,265,315)</u> | <u>10,602,188</u> | <u>336,873</u> |

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

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

Stocks

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

Deferred tax

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

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.

2. STAFF COSTS

| | 2014 | 2013 |
|--------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | <u>393,904</u> | <u>410,787</u> |

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

| | 2014 | 2013 |
|---------------------------|-----------|-----------|
| Office and administration | <u>24</u> | <u>24</u> |

3. OPERATING PROFIT

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

| | 2014 | 2013 |
|------------------------------|---------------|-----------------|
| | £ | £ |
| Depreciation - owned assets | 29,186 | 19,147 |
| Auditors' remuneration | 8,000 | 7,500 |
| Other non- audit services | 24,943 | 13,070 |
| Foreign exchange differences | <u>1,009</u> | <u>(37,442)</u> |
| Director's remuneration | <u>19,799</u> | <u>19,963</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2014

4. TAXATION

Analysis of the tax charge

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

| | 2014 £ | 2013 £ |
|--------------------------------------|--------------|--------------|
| Current tax: | | |
| UK corporation tax | 7,183 | 7,236 |
| | <u>7,183</u> | <u>7,236</u> |
| Tax on profit on ordinary activities | <u>7,183</u> | <u>7,236</u> |

Factors affecting the tax charge

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

| | 2014 £ | 2013 £ |
|--|----------------|---------------|
| Profit on ordinary activities before tax | <u>30,637</u> | <u>23,899</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%) | 6,127 | 4,780 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 3,898 | 2,643 |
| Capital allowances in excess of depreciation | <u>(2,842)</u> | <u>(187)</u> |
| Current tax charge | <u>7,183</u> | <u>7,236</u> |

5. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ |
|-----------------------|----------------------------------|
| COST | |
| At 1 January 2014 | 220,484 |
| Additions | 68,547 |
| At 31 December 2014 | <u>289,031</u> |
| DEPRECIATION | |
| At 1 January 2014 | 165,488 |
| Charge for year | 29,186 |
| At 31 December 2014 | <u>194,674</u> |
| NET BOOK VALUE | |
| At 31 December 2014 | <u>94,357</u> |
| At 31 December 2013 | <u>54,996</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2014

6. STOCKS

| | 2014 £ | 2013 £ |
|--------|------------------|------------------|
| Stocks | <u>3,605,951</u> | <u>6,142,747</u> |

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|---------------|-------------------|-------------------|
| Trade debtors | 14,934,864 | 11,850,999 |
| Other debtors | 2,438 | 2,438 |
| VAT | 72,442 | 862 |
| Prepayments | 49,844 | 847,828 |
| | <u>15,059,588</u> | <u>12,702,127</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Bank loans and overdrafts (see note 10) | 1,757,514 | 11,189,335 |
| Trade creditors | 13,001,232 | 2,388,655 |
| Amounts owed to group undertakings | 599,220 | 360,981 |
| Tax | 7,184 | 7,084 |
| Other creditors | 32,285 | 423,656 |
| Accrued expenses | 5,617 | 26,402 |
| | <u>15,403,052</u> | <u>14,396,113</u> |

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2014 £ | 2013 £ |
|-------------------|------------------|------------------|
| Subordinated loan | <u>5,000,000</u> | <u>5,000,000</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.

10. LOANS

An analysis of the maturity of loans is given below:

| | 2014 £ | 2013 £ |
|---|------------------|-------------------|
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | <u>1,757,514</u> | <u>11,189,335</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2014

11. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|------------------|------------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 2014 | 2013 |
| | | £1 | £ | £ |
| 1,000,000 | Ordinary | | <u>1,000,000</u> | <u>1,000,000</u> |

12. RESERVES

| | |
|---------------------|------------------------------|
| | Profit and loss account £ |
| At 1 January 2014 | (572,223) |
| Profit for the year | <u>23,454</u> |
| At 31 December 2014 | <u>(548,769)</u> |

13. ULTIMATE PARENT COMPANY

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

14. RELATED PARTY DISCLOSURES

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

| | Nature of relationship | Sold to £ | Purchased from £ | Balance due from/(to)at 31/12/14 £ |
|-----------------------|------------------------|--------------|------------------------|---|
| AGFT Handel SA | Parent company | - | 275,738 | (5,599,219) |
| Sunfert SA | Fellow subsidiary | - | - | (18,750) |
| Fertilife Trading Ltd | Common control | - | - | - |

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | | |
|--|----------------|----------------|
| | 2014 | 2013 |
| | £ | £ |
| Profit for the financial year | 23,454 | 16,663 |
| Foreign currency adjustment | | |
| Net addition to shareholders' funds | <u>23,454</u> | <u>16,663</u> |
| Opening shareholders' funds | <u>427,777</u> | <u>411,114</u> |
| Closing shareholders' funds | <u>451,231</u> | <u>427,777</u> |