

Registration number 06201935

Agrega Limited

Directors' report and financial statements

for the year ended 31 December 2011

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COMPANIES HOUSE

Agrega Limited

Company information

Directors	Alan Scott-Watson	
	Luiz A Conde	
	Richard James White	(appointed 01/09/2011)
	Martijn Kampinga	(resigned 20/10/2011)
	T D McConnell	(resigned 12/12/2011)
	David Hauxwell	(appointed 14/02/2011)
	Eduardo B C De Lacerda	(appointed 14/02/2011)
	John Y Moffat	(appointed 01/08/2011)
	Fued Elias Sadala	(resigned 14/02/2011)
	Graham D Stanley	(resigned 14/02/2011)
Secretary	Luiz A Conde	
Company number	06201935	
Registered office	9th Floor, North Wing Landmark House Hammersmith Bridge Road London W6 9DP	
Auditors	Baker Tilly UK Audit LLP 12 Gleneagles Court Brighton Road Crawley West Sussex RH10 6AD	
Business address	9th Floor, North Wing Landmark House Hammersmith Bridge Road London W6 9DP	
Bankers	Royal Bank of Scotland	

Agrega Limited

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Agrega Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activity

The principal activity of the company is delivery of procurement savings to the benefit of partners through combining the scale and leveraging purchasing power in the non industry specific categories of the corporate indirect spend. Agrega is a service provider that acts as the agent on behalf of the partners and clients to ensure that best value is delivered to the business customer through effective procurement processes. Agrega Ltd is rewarded with consultancy fees for its services, whereas the procurement benefits are realised by the business customer through reduced purchase price.

Business review

Being a service provider to its partners, Agrega's key success factor is a strategic alignment with the partners and delivery of the service to business stakeholder expectations. Customer Satisfaction measures help directors to monitor this risk and ensure appropriate actions are taken. Excellent performance results have been reported against this measure and the success has largely been underpinned by the focus on the rigorous process compliance and adherence to the cycle time in delivery of the sourcing initiatives. This has further secured engagement with partners providing Agrega with solid demand for the procurement sourcing activities.

In terms of financial performance the company generated a profit before tax of £669,157 based on the turnover of £10,746,955. The directors believe the turnover will grow in the coming year. The directors do not consider that there are any significant risks and uncertainties facing the business.

Outlook for 2012

Continuous confidence of partners in Agrega delivering expected results, sets challenging expectations for the future. The focus of the directors will remain to ensure Agrega coverage of the partners' businesses continues to grow.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The directors consider the company's exposure to price risk, credit risk, liquidity risk and cash flow risk to be low and consider information relating to their financial risk management objectives and policies to be immaterial for the assessment of assets, liabilities, financial position and profit and loss of the company.

Directors

The directors who served during the year are as stated below

Fued Elias Sadala	(resigned 14/02/2011)	Graham D Stanley	(resigned 14/02/2011)
Alan Scott-Watson		T D McConnell	(resigned 12/12/2011)
Luiz A Conde		David Hauxwell	(appointed 14/02/2011)
Richard James White	(appointed 01/09/2011)	Eduardo B C De Lacerda	(appointed 14/02/2011)
Martijn Kampinga	(resigned 20/10/2011)	John Y Moffat	(appointed 01/08/2011)

Agrega Limited

**Directors' report
for the year ended 31 December 2011**

continued

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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.

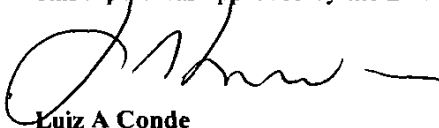
In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Baker Tilly UK Audit LLP are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

This report was approved by the Board on 28 May 2012 and signed on its behalf by



**Luiz A Conde
Director**

**Independent auditor's report to the shareholders of
Agrega Limited**

We have audited the financial statements on pages 5 to 17. 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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
Agrega Limited**

continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Baker Tilly UK Audit LLP

**Anthony Summers (Senior Statutory Auditor)
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD**

28/5/12

Agrega Limited

**Profit and loss account
for the year ended 31 December 2011**

		2011	2010
	Notes	£	£
Turnover	2	10,746,955	7,888,299
Administrative expenses		(10,077,917)	(7,409,934)
Operating profit	3	669,038	478,365
Other interest receivable and similar income	4	121	141
Interest payable and similar charges		(2)	-
Profit on ordinary activities before taxation		669,157	478,506
Tax on profit on ordinary activities	7	(237,560)	(150,474)
Profit for the year	14	431,597	328,032

The profit for the year arises from the company's continuing operations

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account

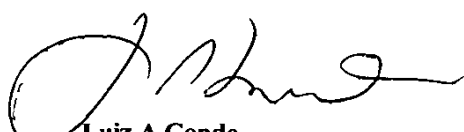
The notes on pages 8 to 16 form an integral part of these financial statements.

Agrega Limited

**Balance sheet
as at 31 December 2011**

		2011		2010	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		119,420		97,913
Current assets					
Debtors	9	4,463,239		2,377,948	
Cash at bank and in hand		1,788,283		2,542,799	
		6,251,522		4,920,747	
Creditors: amounts falling due within one year	10	(4,919,826)		(4,011,777)	
Net current assets			1,331,696		908,970
Total assets less current liabilities			1,451,116		1,006,883
Provisions for liabilities	11		(29,599)		(16,963)
Net assets			1,421,517		989,920
Capital and reserves					
Called up share capital	13		1,000,000		1,000,000
Profit and loss account	14		421,517		(10,080)
Shareholders' funds	15		1,421,517		989,920

The financial statements were approved by the Board and authorised for issue on 28 May 2012 and signed on its behalf by


Luiz A Conde
Director


Richard James White
Director

Registration number 06201935

The notes on pages 8 to 16 form an integral part of these financial statements.

Agrega Limited

**Cash flow statement
for the year ended 31 December 2011**

	2011		2010	
	£	£	£	£
Reconciliation of operating profit to net cash inflow/ (outflow) from operating activities				
Operating profit	669,038		478,365	
Depreciation	40,322		28,057	
(Profit)/ Loss on disposal of tangible assets	9,355		-	
(Increase) in debtors	(2,085,291)		(305,074)	
Increase in trade creditors	994,537		113,215	
(Decrease) in other creditors	(250,472)		1,280,893	
Net cash flow from operating activities		(622,511)		1,595,456
Return on investments and servicing of finance				
Interest received	121		141	
Interest paid	(2)		-	
		119		141
Taxation		(60,940)		(51,141)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(71,184)		(52,293)	
		(71,184)		(52,293)
(Decrease)/Increase in net cash		<u>(754,516)</u>		<u>1,492,163</u>
Reconciliation of Net cash flow to movement in net fund				
Cash at bank and in hand 01 Jan 2011		2,542,799		1,050,636
Cash at bank and in hand at 31 Dec 2011		<u>1,788,283</u>		<u>2,542,799</u>
Analysis of change in net funds				
(Decrease)/Increase in net cash		<u>(754,516)</u>		<u>1,492,163</u>

1. Accounting policies

The financial statements are prepared under the historical cost convention

Turnover represents the total invoice value receivable, excluding value added tax, of sales made during the year and derives from the provision of services within the company's ordinary activities

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Fixtures, fittings
and equipment - 25% straight line

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

The pension costs charged in the financial statements represent the contribution payable by the company during the year

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

2. Turnover

	2011	2010
	£	£
Geographical market		
UK	5,184,467	5,079,725
Russia	1,110,813	919,671
Rest of Europe	4,451,675	1,888,903
	<u>10,746,955</u>	<u>7,888,299</u>

3. Operating profit is stated after charging

	2011	2010
	£	£
Depreciation	40,322	28,057
Loss on disposal of tangible fixed assets	9,355	-
Operating lease rentals		
- Land and buildings	161,924	118,423
Auditor's remuneration	13,250	15,500
Net foreign exchange loss	<u>29,989</u>	<u>43,043</u>

4. Interest receivable and similar income

	2011	2010
	£	£
Bank interest	<u>121</u>	<u>141</u>

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

5. Employees

Number of employees	2011	2010
The average monthly numbers of employees (including the directors) during the year were		
The average monthly numbers of employees	18	13
The average monthly numbers of secondees	13	14
	<u> </u>	<u> </u>
Employment costs	2011	2010
	£	£
Wages and salaries	8,050,126	6,316,981
Social security costs	160,339	79,788
Pension costs	78,429	25,767
	<u>8,288,894</u>	<u>6,422,536</u>

Wages and salaries figures include the recharged costs of seconded staff from related parties
Included within the wages and salaries cost the sum of £3,101,957 (2010 £3,186,437) was in respect of
seconded staff

5.1. Directors' remuneration

	2011	2010
	£	£
Remuneration and other emoluments	<u>875,025</u>	<u>818,166</u>
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	<u>609,086</u>	<u>568,637</u>

Directors' remuneration is paid by related parties and recharged to the company

6. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £78,429 (2010 - £25,767)

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

7. Tax on profit on ordinary activities

Analysis of charge in period	2011	2010
	£	£
Current tax		
UK corporation tax	169,946	8,418
Overseas Tax	54,978	38,991
Total current tax charge	<u>224,924</u>	<u>47,409</u>
Deferred tax		
Timing differences, origination and reversal	12,636	5,989
Utilisation of tax losses	-	97,076
Total deferred tax	<u>12,636</u>	<u>103,065</u>
Tax on profit on ordinary activities	<u>237,560</u>	<u>150,474</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the effective rate of corporation tax in the UK (25.40 per cent). The differences are explained below

	2011	2010
	£	£
Profit on ordinary activities before taxation	<u>669,157</u>	<u>478,506</u>
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 25.40% (31 December 2010: 21.00%)	169,966	100,486
Effects of:		
Overseas Tax	54,978	38,991
Utilisation of tax losses	-	(97,076)
Costs not allowed for tax	11,439	5,586
Pension	-	5,392
Accelerated capital allowances	(11,459)	(5,970)
Current tax charge for period	<u>224,924</u>	<u>47,409</u>

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

8. Tangible fixed assets	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2011	129,069	129,069
Additions	71,184	71,184
Disposals	(14,429)	(14,429)
At 31 December 2011	<u>185,824</u>	<u>185,824</u>
Depreciation		
At 1 January 2011	31,156	31,156
On disposals	(5,074)	(5,074)
Charge for the year	40,322	40,322
At 31 December 2011	<u>66,404</u>	<u>66,404</u>
Net book values		
At 31 December 2011	<u>119,420</u>	<u>119,420</u>
At 31 December 2010	<u>97,913</u>	<u>97,913</u>

9. Debtors	2011 £	2010 £
Other debtors	3,926,042	2,301,068
Prepayments and accrued income	537,197	76,880
	<u>4,463,239</u>	<u>2,377,948</u>

10. Creditors: amounts falling due within one year	2011 £	2010 £
Trade creditors	1,260,654	266,117
Corporation tax	170,040	6,056
Other taxes and social security costs	94,227	52,977
Accruals and deferred income	3,370,566	3,660,329
Pension contributions	24,339	26,298
	<u>4,919,826</u>	<u>4,011,777</u>

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

11. Provisions for liabilities

	Deferred taxation (Note 12) £	Total £
At 1 January 2011	16,963	16,963
Movements in the year	12,636	12,636
At 31 December 2011	<u>29,599</u>	<u>29,599</u>

12. Provision for deferred taxation

	2011 £	2010 £
Accelerated capital allowances	29,599	16,963
Provision for deferred tax	<u>29,599</u>	<u>16,963</u>
Provision at 1 January 2011	16,963	
Deferred tax charge in profit and loss account	12,636	
Provision at 31 December 2011	<u>29,599</u>	

13. Share capital

	2011 £	2010 £
Authorised		
700,000 Ordinary A shares of £1 each	700,000	700,000
700,000 Ordinary B shares of £1 each	700,000	700,000
	<u>1,400,000</u>	<u>1,400,000</u>
Allotted, called up and fully paid		
500,000 Ordinary A shares of £1 each	500,000	500,000
500,000 Ordinary B shares of £1 each	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

14. Reserves	Profit and loss account £	Total £
At 1 January 2011	(10,080)	(10,080)
Profit for the year	431,597	431,597
At 31 December 2011	<u>421,517</u>	<u>421,517</u>

15. Reconciliation of movements in shareholders' funds	2011 £	2010 £
Profit for the year	431,597	328,032
Opening shareholders' funds	989,920	661,888
Closing shareholders' funds	<u>1,421,517</u>	<u>989,920</u>

16. Financial commitments

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Expiry date:		
Within one year	16,989	-
Within one- two years	-	67,956
	<u>16,989</u>	<u>67,956</u>

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

17. Related party transactions

Names of Related Parties

British-American Tobacco (Holdings) Limited (BAT) - Joint controlling party

Nimbuspath Limited - Joint controlling party

British American Tobacco (Investments) Limited - Controlled British-American Tobacco (Holdings) Limited

British American Tobacco (Supply Chain WE) Limited - Controlled by British-American Tobacco (Holdings) Limited

British American Shared Services (GSD) Limited - Controlled by a subsidiary of British-American Tobacco (Holdings) Limited

Agrega Brasil Inteligencia em Compras Ltd - Controlled by subsidiaries of British -American Tobacco (Holdings) Limited & Anheuser-Busch InBev

Agrega Canada Limited - Controlled by subsidiaries of British- American Tobacco (Holdings) Limited & Anheuser-Busch InBev

Agrega AME (Pty) Ltd - Controlled by British -American Tobacco (Holdings) Limited

ITMS CJSC - Controlled by British -American Tobacco (Holdings) Limited

SunInBev - Controlled by Anheuser-Busch InBev

At the balance sheet date the company was owed

£1,283,520 (2010 £887,766) and £1,732,600 (2010 £701,126) by British-American Tobacco (Investments) Ltd and Anheuser-Busch InBev respectively

£412,200 (2010 £166,301) by British American Tobacco (Supply Chain WE) Limited

£855,539 (2010 £371,488) by British American Shared Services (GSD) Limited

In addition to that, the Branch of Agrega Ltd in the Russian Federation was owed £Nil (2010 £28,921) and £ Nil (2010 £92,376) by ITMS CJSC and SunInBev - subsidiaries of British American Tobacco and Anheuser-Busch InBev. The above amounts are included in debtors balances

At the balance sheet date the company owed to

British American Tobacco (Investments) Ltd £1,627,240 (2010 1,539,765)

Anheuser-Busch InBev £38,560 (2010 £365,961)

Aggrega Brasil £367,816 (2010 £7,000)

SunInBev (Russian Branch) £65,492 (2010 £56 638)

Agrega AME (Pty) Ltd £14,712 (2010 £Nil)The above amounts are included in creditors balances

Included in the profit and loss account are the following related party transactions

Turnover includes amounts of £3,148,401 (2010 £3,755,936), £4,451,675 (2010 £1,513,508), £537,318 (2010 £415,498) and £573,495 (2010 £504,174) in respect of recharges to British American Tobacco (Investments) Ltd, Anheuser-Busch InBev, ITMS CJSC and SunInBev respectively

Turnover also includes sales to

British American Tobacco (Supply Chain WE) Limited £1,308,000 (2010 £952,301)

British American Shared Services (GSD) Limited £728,066 (2010 £371,488)

SunInBev £Nil (2010 £375,395)

Expenditure incurred in relation services from related parties are

British American Tobacco (Investments) Ltd - £2,298,374 (2010 £2,441,431) re Services including office rent, staff costs and others

Anheuser-Busch InBev -£ 819,234 (2010 £779,834)

Agrega Brasil Inteligencia em Compras Ltd - £221,153 (2010 £390,288)

Agrega Canada Limited - £Nil (2010 £Nil)

Agrega AME (Pty) Ltd - £25,492 (2010 £Nil)

ITMS CJSC £Nil (2010 £67,200)

SunInBev - £223,884 (2010 £190,558)

Agrega Limited
Notes to the financial statements
for the year ended 31 December 2011

18. Ultimate parent undertaking

The Company is jointly owned and controlled by British-American Tobacco (Holdings) Limited and Nimbuspath Limited whose ultimate parent undertakings and ultimate controlling parties are British American Tobacco plc and Anheuser-Busch InBev SA/NV, respectively. British American Tobacco plc is incorporated in the United Kingdom and registered in England and Wales and Anheuser-Busch InBev SA/NV is incorporated and registered in Belgium.