

Registration number: 06757157

Agriargo UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Agriargo UK Limited

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Agriargo UK Limited

Company Information

Directors	T Bonomo A J Winnett
Registered office	Unit D3 Harworth Industrial Estate Bryans Close Harworth Doncaster DN11 8RY
Auditors	Hawsons Chartered Accountants Statutory Auditor 5 Sidings Court White Rose Way Doncaster South Yorkshire DN4 5NU

Agriargo UK Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Fair review of the business

The results for the company show a pre tax loss of (£567,000) (2018: (£239,000)) and turnover of £19,547,000 (2018: £14,803,000) for the period. The company has net liabilities of £1,635,000 (2018: £1,068,000).

The directors do not recommend the payment of a dividend.

The directors measure the performance and development of the company through the use of certain key performance indicators. These include:

The company's key financial and other performance indicators during the year were as follows:

The company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Market share	%	1.11	2.00
Gross profit margin	%	9.11	12.50
(Loss) / Profit on ordinary activities before investment income and interest	£ 000	(477.00)	(132.00)

Whilst the UK agricultural sector remains under tremendous pressure from the Global commodity Market, exchange rate influences and the continued uncertainty of Brexit, the long-term outlook for Worldwide food production remains extremely positive, especially when we consider the projected demand from Asia and Africa, as well as the UK's long term requirement for "food security" post Brexit.

The Directors "Three Year Restructuring Plan", based around a "Five Year Business Plan" is now well under way, the restructuring process has begun and will encompass a "Cost Cutting Concept" which will incorporate an extensive review of all departments to ensure that "Best Value" is achieved in all aspects of the organisation.

Actioned in Spring 2019, the first step took place at the most prestigious UK agricultural machinery show, Lamma, which has relocated to the NEC and takes place in January.

As part of this re-launch a completely overhauled Marketing Campaign has been launched, as well as a re-engagement plan to work with our current dealer network, this will "run" alongside a major project to appoint at least ten new dealers in 2019 with a further six to eight to follow in 2020 and 2021.

Continuous development of the companies processes as well as the launch of Argo 4.0 will bring both the dealers and our business processes in to the digital age.

Our "Five Year Business Plan" will ensure the future development of the business, its processes, products and dealer network through to, and beyond, 2023.

Agriargo UK Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

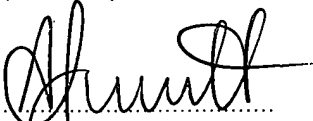
Principal risks and uncertainties

Post Brexit there will be a strive for more UK food security, this should mean that more food is sourced locally, we believe that this will benefit British Farming PLC as a whole. We have plans in place from "A" through to "F" and just await the outcome of the negotiations before we are able to implement the most appropriate version.

To survive and thrive the agricultural industry will need to engage and interact more with technology, we have invested heavily in the past 12 months to ensure that we are at the cutting edge of technology within our sector, Argo 4.0 and our Telematics systems will ensure that this edge is maintained.

Whilst most business sectors have seen a negative impact caused by COVID-19, the agricultural industry has continued with little change and in some instances, with the public purchasing their food more locally, there has been a positive impact.

Approved by the Board on 22.12.20 and signed on its behalf by:


.....
A J Winnett
Director

Agriargo UK Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

T Bonomo

A J Winnett

Principal activity

The principal activity of the company is the distribution throughout the UK and Ireland of agricultural and ground care tractors and service parts via a dealer network.

Going concern

The financial statements have been prepared on a going concern basis. The company made a loss of £567,000 for the year and as at 31 December 2019 had net current liabilities of £1,711,000 and net liabilities of £1,653,000.

The directors believe that the going concern basis is appropriate because financial support is provided to the company by its principal supplier in the form of trade finance loans and this support will continue for the foreseeable future, this is taking into account all known factors, including the impact of the ongoing COVID-19 pandemic.

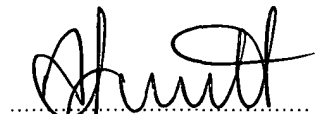
Based on a review of the company's financial forecasts, the directors believe that the financial support available from the company's principal supplier will be adequate for the foreseeable future.

Disclosure of information to the auditors

Each director of the company who held office at the date of the approval of this Annual Report as set out above, each confirms that:

- so far as they 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
- they have taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 22.12.20 and signed on its behalf by:



A J Winnett
Director

Agriargo UK Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Agriargo UK Limited

Independent Auditor's Report to the Members of Agriargo UK Limited

Opinion

We have audited the financial statements of Agriargo UK Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Agriargo UK Limited

Independent Auditor's Report to the Members of Agriargo UK Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Agriargo UK Limited

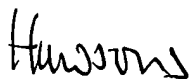
Independent Auditor's Report to the Members of Agriargo UK Limited (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.



Paul Wormald (Senior Statutory Auditor)
For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

5 Sidings Court
White Rose Way
Doncaster
South Yorkshire
DN4 5NU

Date: 22 DECEMBER 2020

Agriargo UK Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	2	19,547	14,803
Cost of sales		<u>(17,766)</u>	<u>(12,952)</u>
Gross profit		1,781	1,851
Distribution costs		(1,525)	(1,386)
Administrative expenses		<u>(733)</u>	<u>(597)</u>
Operating loss		(477)	(132)
Other interest receivable and similar income	4	1	1
Interest payable and similar charges	5	<u>(91)</u>	<u>(108)</u>
Loss before tax		<u>(567)</u>	<u>(239)</u>
Loss for the financial year		<u>(567)</u>	<u>(239)</u>
Total comprehensive loss for the year		<u><u>(567)</u></u>	<u><u>(239)</u></u>

The above results were derived from continuing operations.

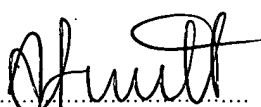
Agriargo UK Limited

(Registration number: 06757157)

Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	10	98	36
Current assets			
Stocks	11	7,018	8,183
Debtors	12	5,646	3,603
Cash at bank and in hand	13	<u>122</u>	<u>98</u>
		12,786	11,884
Creditors: Amounts falling due within one year	14	<u>(14,497)</u>	<u>(12,988)</u>
Net current liabilities		<u>(1,711)</u>	<u>(1,104)</u>
Total assets less current liabilities		(1,613)	(1,068)
Creditors: Amounts falling due after more than one year	14	<u>(22)</u>	<u>-</u>
Net liabilities		<u>(1,635)</u>	<u>(1,068)</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		<u>(1,635)</u>	<u>(1,068)</u>
Total equity		<u>(1,635)</u>	<u>(1,068)</u>

These financial statements were approved and authorised for issue by the Board on 22.12.20 and signed on its behalf by:



 A J Winnett
 Director

Agriargo UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	-	(1,068)	(1,068)
Loss for the year	-	(567)	(567)
Total comprehensive income	-	(567)	(567)
At 31 December 2019	-	(1,635)	(1,635)

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	-	(829)	(829)
Loss for the year	-	(239)	(239)
Total comprehensive income	-	(239)	(239)
At 31 December 2018	-	(1,068)	(1,068)

Agriargo UK Limited

Statement of Cash Flows for the Year Ended 31 December 2019

	2019 £ 000	2018 £ 000
Cash flows from operating activities		
Loss for the year	(567)	(239)
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	19	13
Finance income	(1)	(1)
Finance costs	91	108
	<u>(458)</u>	<u>(119)</u>
Working capital adjustments		
Decrease/(increase) in inventories	1,165	(1,162)
(Increase)/decrease in trade and other receivables	(2,043)	516
Increase in trade and other payables	1,492	430
	<u>156</u>	<u>(335)</u>
Cash flows from investing activities		
Interest received	1	1
Acquisitions of property plant and equipment	(27)	(16)
	<u>(26)</u>	<u>(15)</u>
Cash flows from financing activities		
Interest paid	(91)	(108)
Payments to finance lease creditors	(15)	(17)
	<u>(106)</u>	<u>(125)</u>
Net increase/(decrease) in cash and cash equivalents	24	(475)
Cash and cash equivalents at 1 January	98	573
Cash and cash equivalents at 31 December	<u>122</u>	<u>98</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Accounting policies

Statutory information

Agriargo UK Limited is a private company, limited by shares, domiciled in England and Wales, company number 06757157. The registered office is at Unit D3 Harworth Industrial Estate, Bryans Close, Harworth, Doncaster, DN11 8RY.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The presentation currency is United Kingdom pounds sterling, which is the functional currency of the company and rounded to the nearest £000. The financial statements are those of an individual entity.

Going concern

The financial statements have been prepared on a going concern basis. The company made a loss of £567,000 for the year and as at 31 December 2019 had net current liabilities of £1,711,000 and net liabilities of £1,653,000.

The directors believe that the going concern basis is appropriate because financial support is provided to the company by its principal supplier in the form of trade finance loans and this support will continue for the foreseeable future, this is taking into account all known factors, including the impact of the ongoing COVID-19 pandemic.

Based on a review of the company's financial forecasts, the directors believe that the financial support available from the company's principal supplier will be adequate for the foreseeable future.

Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the Balance Sheet date. All exchange rate differences are included in the Statement of Comprehensive Income.

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

1 Accounting policies (continued)

Tax

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Short leasehold building improvements
Plant and machinery
Motor vehicles

Depreciation method and rate

10% straight line
10% straight line
20% reducing balance

Stocks

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

Cost incurred in bringing each product to its present location and condition is based on; cost of direct materials and labour, plus a proportion of manufacturing overhead based on normal levels of activity.

Net realisable value is based on estimated net selling price, less further costs expected to be incurred on completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

1 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the Balance Sheet. The corresponding dividends relating to the liability component are charged as interest expense in the Statement of Comprehensive Income.

2 Turnover

An analysis of turnover by geographical location is given below:

	2019 £ 000	2018 £ 000
Sales - UK	17,124	10,523
Sales - Europe	2,423	4,280
	<u>19,547</u>	<u>14,803</u>

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Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

3 Operating loss

Arrived at after charging

	2019 £ 000	2018 £ 000
Depreciation expense	19	13
Audit fees	13	16
Foreign exchange gains	26	3
Operating lease expense - property	112	115
Operating lease expense - plant and machinery	72	52
Operating lease expense - other	66	55

4 Other interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest income on bank deposits	1	1

5 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Other interest payable	91	108

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £ 000	2018 £ 000
Wages and salaries	924	914
Social security costs	104	96
Pension costs, defined contribution scheme	56	52
	1,084	1,062

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Staff costs (continued)

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	12	10
Sales, marketing and distribution	12	11
	<u>24</u>	<u>21</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £ 000	2018 £ 000
Remuneration	101	196
Contributions paid to money purchase schemes	11	14
	<u>112</u>	<u>210</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>3</u>

8 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	<u>13</u>	<u>16</u>
Other fees to auditors		
All other non-audit services	<u>8</u>	<u>11</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

9 Taxation

Tax on profit on ordinary activities for the year is £nil (2018: £nil).

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	(567)	(239)
Corporation tax at standard rate	(108)	(45)
Effect of expenses not deductible in determining taxable profit (tax loss)	-	1
Effect of tax losses	115	45
Tax increase from effect of capital allowances and depreciation	-	(1)
Total tax charge	7	-

10 Tangible assets

	Short leasehold land and buildings £ 000	Motor vehicles £ 000	Plant, machinery and equipment £ 000	Total £ 000
Cost				
At 1 January 2019	27	-	87	114
Additions	-	55	26	81
At 31 December 2019	27	55	113	195
Depreciation				
At 1 January 2019	25	-	53	78
Charge for the year	2	6	11	19
At 31 December 2019	27	6	64	97
Carrying amount				
At 31 December 2019	-	49	49	98
At 31 December 2018	2	-	34	36

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Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Stocks

	2019 £ 000	2018 £ 000
Finished goods and goods for resale	<u>7,018</u>	<u>8,183</u>

12 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	5,298	3,334
Other debtors	117	42
Prepayments	<u>231</u>	<u>227</u>
	<u>5,646</u>	<u>3,603</u>

13 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash on hand	1	1
Cash at bank	<u>121</u>	<u>97</u>
	<u>122</u>	<u>98</u>

14 Creditors

	2019 £ 000	2018 £ 000
Due within one year		
Finance lease liabilities	17	-
Trade creditors	1,162	10,796
Amounts due to related parties	<u>11,710</u>	<u>-</u>
Social security and other taxes	597	332
Accruals	<u>1,011</u>	<u>1,860</u>
	<u>14,497</u>	<u>12,988</u>
Due after one year		
Finance lease liabilities	<u>22</u>	<u>-</u>

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £56,000 (2018 - £52,000).

Contributions totalling £7,000 (2017 - £7,000) were payable to the scheme at the end of the period and are included in creditors.

16 Share capital

Share capital consists of 2 allotted, called up and fully paid shares of £1 each.

17 Loans and borrowings

	2019 £ 000	2018 £ 000
Current loans and borrowings		
Finance lease liabilities	<u>17</u>	<u>-</u>
Non-current loans and borrowings		
Finance lease liabilities	<u>22</u>	<u>-</u>

Finance lease liabilities were secured by charges on the relevant stock assets.

Agriargo UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

18 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	21	-
Later than one year and not later than five years	27	-
	<u>48</u>	<u>-</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	17	39
Later than one year and not later than five years	1	18
	<u>18</u>	<u>57</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £216,000 (2018 - £202,000).

19 Reconciliation of changes in net debt

	At 1 January 2019 £000	Cashflows £000	Other non-cash changes £000	At 31 December 2019 £000
Cash and cash equivalents				
Cash	98	24	-	122
Borrowings				
Debt due within one year	-	15	(32)	(17)
Debt due after one year	-	-	(22)	(22)
Total	<u>98</u>	<u>39</u>	<u>(54)</u>	<u>83</u>

20 Control

The company is controlled by San Martino Consultaria LLC (trading as Sparta MGTM), an organisation incorporated in Georgia, USA, who own 100% of the called up share capital.