

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND  
SUBSIDIARIES  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MAY 2014**

TUESDAY



\*A3E4CDQG\*

A30

12/08/2014

#114

COMPANIES HOUSE

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**COMPANY INFORMATION**  
**YEAR ENDED 31 MAY 2014**

---

**DIRECTORS**

E H M Coles  
A J Cooke  
M R Quann  
C Lude  
K Kempenaar

**COMPANY SECRETARY**

A J Cooke

**REGISTERED NUMBER**

2953255

**REGISTERED OFFICE**

The Granary, 1 Downs Court  
Yalding Hill, Yalding  
Maidstone  
Kent  
ME18 6AL

**INDEPENDENT AUDITOR**

Crowe Clark Whitehill LLP  
Statutory Auditors  
10 Palace Avenue  
Maidstone  
Kent  
ME15 6NF

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**CONTENTS**  
**YEAR ENDED 31 MAY 2014**

---

	Page
<b>Directors' report</b>	3 – 4
<b>Strategic report</b>	5 – 6
<b>Independent auditor's report</b>	7 – 8
<b>Profit and loss account</b>	9
<b>Balance sheets</b>	10 - 11
<b>Cashflow Statement</b>	12
<b>Notes to the financial statements</b>	13 - 28

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MAY 2014**

---

The directors present their report and financial statements for the year ended 31 May 2014.

**DIRECTORS**

The directors who served during the year were:-

E H M Coles  
A J Cooke  
M R Quann  
C Lude  
K Kempenaar (appointed 1 September 2013)

**DIRECTORS' RESPONSIBILITIES STATEMENT**

*The Directors are responsible for preparing the Strategic report, 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 period. In preparing these financial statements, the Directors are required to:

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

**GOING CONCERN**

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', which requires the reasons for this decision to be explained. The directors regard the going concern basis as remaining appropriate as they have assessed the company's financial performance and position. From this, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MAY 2014**

---

**RESULTS FOR THE YEAR**

The results for the year are set out in the profit and loss account on page 9. In accordance with current company policy, the company paid total interim dividends of \$500,000 during the year.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 August 2014 and signed on its behalf.



Andrew Cooke FCCA  
Director

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 MAY 2014**

---

## **INTRODUCTION**

The directors present the strategic report for the year ended 31 May 2014.

## **PRINCIPAL ACTIVITY**

Maviga's principal activity is the origination, processing and supply of dried edible pulses (peas, beans, lentils and chickpeas) and other special crops including popcorn, sesame, canary and sunflower seeds. With offices, processing capacity and expertise in all the major areas of production, Maviga is able to supply dependable quality, service and information to customers throughout the world. Maviga also works with government agencies and non-governmental organisations to originate, process and deliver pulses to people in need. Maviga continues to combine high standards of efficiency and integrity with aggressive and competitive pricing.

## **BUSINESS REVIEW**

The group achieved a good trading performance in FY14, with solid levels of turnover, gross margin and profit before tax. Total operating profit (before interest) increased to \$5.92m (£3.53m) from \$5.91m (£3.87m) in FY13. We have again experienced higher financial costs arising from higher funding utilisation and significantly higher bank arrangement fees. However the group is able to report an acceptable profit before tax and return on capital employed.

Group sales fell by 6.7% to \$239.3m (£142.7m) [FY13 \$256.5m (£167.8m)] and total gross profit also fell by 7.1% to \$15.4m (£9.2m) [FY13 \$16.6m (£10.9m)]. Total gross margin remained at 6.4% [FY13 6.4%] and profit before tax was \$4.9m (£2.9m) [FY13 \$5.1m (£3.4m)]. Given the increasingly competitive environment the directors are satisfied with the results for the year and the strength of the group at the year end.

The directors consider the Key Performance Indicators of the company to consist of Turnover, Gross Profit Percentage, Net Profit before Tax and Return on Capital Employed.

**Turnover** – is calculated as the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets.

**Gross Profit Percentage** – is calculated by comparing gross profit against turnover. This ratio reveals how much the company earns taking into consideration the direct costs it incurs. It is an indication of how profitable the company is at its most fundamental level.

**Net Profit before Taxation** – is calculated as gross profit less administrative expenses plus interest received less interest payable. It is a measure of the overall profitability of the company.

**Return on Equity Capital Employed** – has been calculated as the profit before taxation divided by Shareholder's Funds. The purpose of this ratio is to measure the returns that the company is realising from its shareholder's funds.

	2014	2013
Group Turnover	<b>\$239,265,822</b>	\$256,552,086
Gross Profit Percentage	<b>6.4%</b>	6.4%
Net Profit before Taxation	<b>\$4,906,552</b>	\$5,056,999
Return on Equity Capital Employed	<b>14.5%</b>	16.8%

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Financial risk management**

The group, of which the company is a member, operates a centralised treasury function with responsibility for managing the liquidity, interest, foreign currency and credit risks associated with the group's activities.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 MAY 2014**

---

The group has various financial assets and liabilities arising directly from its operations.

**Liquidity risk**

The group manages its cash and borrowing requirements centrally to maximise interest income and minimize interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its businesses.

**Interest rate risk**

The group is exposed to interest rate risk on floating rate deposits, bank overdrafts and loans.

**Foreign currency risk**

The group's principal foreign currency exposures arise from trading operations with overseas companies. Group policy is to hedge purchases and sales in foreign currencies and to transfer any foreign currency difference arising to US Dollars periodically.

**Credit risk**

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

This report was approved by the board on 7 August 2014 and signed on its behalf.



Andrew Cooke FCCA  
Director

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF  
MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND ITS SUBSIDIARIES**

---

We have audited the financial statements of Maviga International (Holdings) Limited and its subsidiaries for the year ended 31 May 2014 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement, and the related notes numbered 1 to 27.

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 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.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' responsibilities statement, 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**

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 Directors; 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 Directors' report 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 group's and the parent company's affairs as at 31 May 2014 and of the group's 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF  
MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND ITS SUBSIDIARIES**

---

**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.



Ian Weekes (Senior statutory auditor)

for and on behalf of  
**Crowe Clark Whitehill LLP**

Statutory Auditors

10 Palace Avenue  
Maidstone  
Kent  
ME15 6NF

7 August 2014

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MAY 2014**

	Note	2014 Total \$	2013 Total \$
<b>Turnover of the group including its share of associates</b>		<b>248,317,541</b>	<b>264,399,199</b>
Less share of turnover of associates		<u>(9,051,719)</u>	<u>(7,847,113)</u>
<b>GROUP TURNOVER</b>	2	<b>239,265,822</b>	<b>256,552,086</b>
Cost of sales		<u>(223,866,689)</u>	<u>(239,982,856)</u>
<b>GROSS PROFIT</b>		<b>15,399,133</b>	<b>16,569,230</b>
Administrative expenses		<b>(10,307,600)</b>	<b>(10,940,718)</b>
Other operating income	3	<b>181,762</b>	<b>171,158</b>
<b>GROUP OPERATING PROFIT</b>	5	<u><b>5,273,295</b></u>	<u><b>5,799,670</b></u>
Share of operating results of associates		<b>646,117</b>	<b>109,218</b>
<b>TOTAL OPERATING PROFIT</b>		<u><b>5,919,412</b></u>	<u><b>5,908,888</b></u>
Interest receivable		<b>24,050</b>	<b>21,403</b>
Interest payable	7	<u><b>(1,036,910)</b></u>	<u><b>(873,292)</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>4,906,552</b>	<b>5,056,999</b>
Tax on profit on ordinary activities	8	<u><b>(853,318)</b></u>	<u><b>(1,050,705)</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	17	<u><b>4,053,234</b></u>	<u><b>4,006,294</b></u>

All amounts relate to continuing activities.

The profit and loss account contains all the gains and losses recognised in the current and preceding year.

**The notes on pages 13 to 28 form part of these financial statements.**

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**31 MAY 2014**

	Notes	2014	2013
		\$	\$
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	3,410,373	2,803,201
Investments	10	<u>2,951,918</u>	<u>1,909,112</u>
		<b>6,362,291</b>	<b>4,712,313</b>
<b>CURRENT ASSETS</b>			
Stocks	11	16,455,134	10,700,776
Debtors	12	40,992,491	33,640,521
Cash at bank and in hand		<u>7,406,763</u>	<u>8,973,398</u>
		<b>64,854,388</b>	<b>53,314,695</b>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(36,980,296)</u>	<u>(27,372,561)</u>
<b>NET CURRENT ASSETS</b>		<u>27,874,092</u>	<u>25,942,134</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>34,236,383</b>	<b>30,654,447</b>
<b>CREDITORS: Amounts falling due after one year</b>	14	<u>(414,686)</u>	<u>(529,290)</u>
<b>NET ASSETS</b>		<u><b>33,821,697</b></u>	<u><b>30,125,157</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,046,300	1,037,700
Share premium account	17	830,407	695,701
Capital redemption reserve	17	241,100	241,100
Profit and loss account	17	<u>31,703,890</u>	<u>28,150,656</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u><b>33,821,697</b></u>	<u><b>30,125,157</b></u>

Approved and authorised for issue by the Board on 7 August 2014 and signed on its behalf:



A J Cooke



E H M Coles

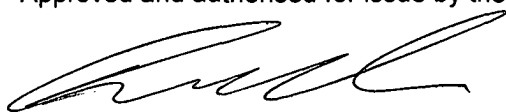
Directors

The notes on pages 13 to 28 form part of these financial statements.

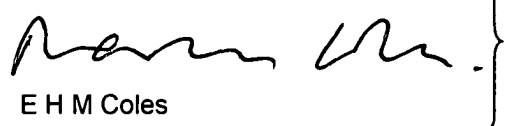
**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED**  
**BALANCE SHEET**  
**31 MAY 2014**

	Notes	2014 \$	2013 \$
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	1,472,514	1,533,432
Investments	10	<u>4,939,343</u>	<u>4,351,343</u>
		<b>6,411,857</b>	<b>5,884,775</b>
<b>CURRENT ASSETS</b>			
Debtors	12	27,444,977	17,285,962
Cash at bank and in hand		<u>3,863,276</u>	<u>5,179,149</u>
		<b>31,308,253</b>	<b>22,465,111</b>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(24,017,798)</u>	<u>(13,825,344)</u>
<b>NET CURRENT ASSETS</b>		<b>7,290,455</b>	<b>8,639,767</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,702,312</b>	<b>14,524,542</b>
<b>CREDITORS: Amounts falling due after one year</b>	14	<u>(283,264)</u>	<u>(369,975)</u>
<b>NET ASSETS</b>		<b>13,419,048</b>	<b>14,154,567</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,046,300	1,037,700
Share premium account	17	830,407	695,701
Capital redemption reserve	17	241,100	241,100
Profit and loss account	17	<u>11,301,241</u>	<u>12,180,066</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<b>13,419,048</b>	<b>14,154,567</b>

Approved and authorised for issue by the Board on 7 August 2014 and signed on its behalf:



A J Cooke



E H M Coles

Directors

The notes on pages 13 to 28 form part of these financial statements.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MAY 2014**

	Notes	2014 \$	2013 \$
<b>CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	24	<b>(6,052,200)</b>	<b>18,254,407</b>
Dividends from associated undertakings		<b>90,522</b>	<b>267,294</b>
Returns on investments and servicing of finance	25	<b>(1,012,860)</b>	<b>(851,889)</b>
Taxation		<b>(639,872)</b>	<b>(742,004)</b>
Capital expenditure and financial investment	25	<b>(1,592,449)</b>	<b>(649,898)</b>
<b>CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING</b>		<b>(9,206,859)</b>	<b>16,277,910</b>
Financing	26	<b>(461,254)</b>	<b>(619,879)</b>
<b>(DECREASE)/INCREASE IN CASH</b>		<b>(9,668,113)</b>	<b>15,658,031</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**  
**(NOTE 27)**

	2014 \$	2013 \$
(Decrease)/increase in cash in the year	<b>(9,668,113)</b>	<b>15,658,031</b>
Cash inflow from decrease in debt financing	<b>104,560</b>	<b>161,538</b>
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(9,563,553)</b>	<b>15,819,569</b>
<b>NET DEBT AT 1 JUNE 2013</b>	<b>(4,102,336)</b>	<b>(19,921,905)</b>
<b>NET DEBT AT 31 MAY 2014</b>	<b>(13,665,889)</b>	<b>(4,102,336)</b>

The notes on pages 13 to 28 form part of these financial statements.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MAY 2014**

---

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

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

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors confirm that they consider that the going concern basis remains appropriate based upon forecasts which have been reviewed by the Board. The Directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2013' which requires the reasons for this decision to be explained. The Directors regard the going concern basis as remaining appropriate as the Group has adequate resources to continue in operational existence for the foreseeable future. There are considerable cash reserves along with adequate financing arrangements which can be utilised by the Group as required.

**b) Basis of Consolidation**

All sales and profit figures relate to external transactions only.

The financial statements consolidate the accounts of Maviga International (Holdings) Limited, its subsidiaries and its associate undertaking ('associate') as defined by FRS 9 'Associates and Joint Ventures' using the equity method of accounting. One associate does not have a co-terminus year end with that of Maviga International (Holdings) Limited and its results have been included within these financial statements as at 31 May 2014, in accordance with FRS 9.

Under the provisions of the Companies Act 2006 Section 408, the directors have taken advantage of the dispensation not to publish the profit and loss account of Maviga International (Holdings) Ltd. The holding company loss for the year was \$378,825 (2013 - profit \$893,209).

**c) Turnover**

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets. Income is recognised in the financial statements when legal title to the goods being sold passes to the customer, which is considered to be at the point the goods are irrevocably consigned to the customer or shipping line.

**d) Depreciation**

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:-

Land and buildings	over 25 years
Leasehold improvements	over 3 years
Computer equipment	between 2-5 years
Fixtures and fittings	between 2-5 years
Plant and machinery	over 5 years
Motor Vehicles	over 3 years

**e) Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure incurred in bringing products to their present location and condition and is determined as follows:-

Good for resale - on a first in, first out basis.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

---

**1. ACCOUNTING POLICIES (CONTINUED)**

**f) Deferred Taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**g) Foreign Currencies**

Transactions denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in operating profit.

Assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rates ruling at the balance sheet date.

The sterling exchange rate ruling as at the balance sheet date was \$1.6774/£ (2013 - \$1.5286/£)

**h) Operating and Finance Leases**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Payments made under operating leases are charged to the profit and loss account as incurred.

**i) Pension Schemes**

The group operates contributory pension schemes open to the majority of its employees. The schemes funds are administered by trustees and are independent of the group's finances. The schemes are money purchase schemes. All of the group's contributions are charged against profit in the year in which contributions are made.

**j) Share-based Payments**

The group issues equity settled share-based payments to certain employees. Equity settled share-based payments are measured at fair value at grant date. Fair value is measured using the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted, excluding the impact of any non-market vesting conditions.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

---

**1. ACCOUNTING POLICIES (CONTINUED)**

**j) Share-based Payments (continued)**

The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instruments granted and the number of equity instruments which eventually vest. At each balance sheet date, the group revises its estimates in respect of non market conditions of the number of equity instruments that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

After calculating the fair values of options granted, the directors do not consider that an adjustment to the financial statements is required.



**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**2. TURNOVER**

The geographical analysis of turnover is as follows:-

	2014 \$	2013 \$
UK and Europe	55,142,182	43,631,035
Rest of world	184,123,640	212,921,051
	<u>239,265,822</u>	<u>256,552,086</u>

**3. OTHER OPERATING INCOME**

	2014 \$	2013 \$
Other income	181,762	171,158
	<u>181,762</u>	<u>171,158</u>

**4. STAFF COSTS (including directors)**

	2014 \$	2013 \$
Wages and salaries	5,281,677	5,391,562
Social security costs	108,338	101,693
Pension costs	411,785	449,800
	<u>5,801,800</u>	<u>5,943,055</u>

The average monthly number of employees during the year was:-

	No.	No.
Office and management	<u>71</u>	<u>70</u>

	2014 \$	2013 \$
Directors' emoluments		
Salaries	1,693,847	1,776,909
Benefits	60,119	17,099
Pension contributions	236,735	233,888
	<u>1,990,701</u>	<u>2,027,896</u>

Four directors accrue benefits under a money purchase pension scheme (2013 – four).

The emoluments of the highest paid director were \$583,874 (2013 - \$427,281) and pension contributions of \$119,021 (2013 - \$79,472). The highest paid director has exercised no share options in the year (2013 – nil).

Details of directors' share options are as follows:-

	At 1/6/13	Options Granted	Options Exercised	As at 31/5/14	Date from which Exercisable	Expiry Date	Exercise Price
A J Cooke	225	-	-	225	31/1/2010	31/1/2015	\$1,666.35

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**5. OPERATING PROFIT**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
This is stated after charging/(crediting):-		
Depreciation - owned	<b>397,277</b>	<b>450,959</b>
Operating lease payments - land and buildings	<b>508,247</b>	<b>426,277</b>
Loss/(profit) on foreign exchange	<b>26,357</b>	<b>296,205</b>
Loss on disposal of fixed assets	<b>-</b>	<b>10,871</b>
	<hr/>	<hr/>

**6. AUDITORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Auditors' remuneration in respect of audit services		
- parent company	<b>18,000</b>	<b>16,850</b>
- subsidiaries	<b>35,340</b>	<b>34,893</b>
Fees payable to the company's auditor and its associates in respect of:		
Other services relating to taxation	<b>-</b>	<b>-</b>
All other services	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

**7. INTEREST PAYABLE**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Group – on bank loans and overdrafts	<b>1,036,910</b>	<b>847,075</b>
Associates – on bank loans and overdrafts	<b>-</b>	<b>26,217</b>
	<hr/>	<hr/>
	<b>1,036,910</b>	<b>873,292</b>
	<hr/>	<hr/>

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Group 2014 \$	2013 \$
UK Corporation tax	-	-
(Over)/under provision in respect of prior year	(30,153)	26,950
	<u>(30,153)</u>	<u>26,950</u>
Double tax relief	(30,153)	-
	<u>(30,153)</u>	<u>26,950</u>
Overseas tax:		
Foreign tax	933,838	1,031,595
Over provision in respect of prior year	(28,990)	(57,251)
Withholding tax written off	-	-
	<u>874,695</u>	<u>1,001,294</u>
Deferred tax	(122,165)	21,641
	<u>752,530</u>	<u>1,022,935</u>
Associated undertakings – all overseas tax	100,788	27,770
	<u>853,318</u>	<u>1,050,705</u>

**Factors affecting tax charge for the year**

	Group 2014 \$	2013 \$
Profit on ordinary activities before tax (UK companies)	4,906,552	5,056,999
	<u>4,906,552</u>	<u>5,056,999</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 22.67% (2013 – 23.83%)	1,112,315	1,205,083
Effects of:		
Depreciation in excess of capital allowances	7,884	12,290
Capital allowances in excess of depreciation		(1,108)
Expenses not deductible for tax purposes	1,531	31,281
Unrelieved tax losses	222,177	307,544
Over provision of tax in respect of prior years	(59,144)	(35,920)
Foreign tax paid	191,131	8,200
Tax rate adjustment for overseas companies with a different tax rate	(500,411)	(498,306)
Tax related to associates	(100,788)	(27,770)
	<u>874,695</u>	<u>1,001,294</u>

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**9. TANGIBLE FIXED ASSETS**

**THE GROUP**

	Land and buildings \$	Leasehold improve- ments \$	Plant and machinery \$	Motor vehicles \$	Computer equipment \$	Fixtures and fittings \$	Total \$
Cost							
At 1 June 2013	2,985,140	65,258	1,139,637	386,938	338,834	361,850	5,277,657
Additions	433,376	-	333,200	132,008	83,786	22,079	1,004,449
Disposals	-	-	(10,662)	-	(12,145)	-	(22,807)
As at 31 May 2014	<u>3,418,516</u>	<u>65,258</u>	<u>1,462,175</u>	<u>518,946</u>	<u>410,475</u>	<u>383,929</u>	<u>6,259,299</u>
Depreciation							
At 1 June 2013	663,964	57,255	815,375	318,907	282,554	336,401	2,474,456
Charge for the year	102,482	7,899	140,812	71,865	53,869	20,350	397,277
On disposals	-	-	(10,662)	-	(12,145)	-	(22,807)
As at 31 May 2014	<u>766,446</u>	<u>65,154</u>	<u>945,525</u>	<u>390,772</u>	<u>324,278</u>	<u>356,751</u>	<u>2,848,926</u>
<b>Net Book Values</b>							
<b>At 31 May 2014</b>	<u><b>2,652,070</b></u>	<u><b>104</b></u>	<u><b>516,650</b></u>	<u><b>128,174</b></u>	<u><b>86,197</b></u>	<u><b>27,178</b></u>	<u><b>3,410,373</b></u>
At 31 May 2013	<u>2,321,176</u>	<u>8,003</u>	<u>324,262</u>	<u>68,031</u>	<u>56,280</u>	<u>25,449</u>	<u>2,803,201</u>

**THE COMPANY**

	Land and buildings \$	Computer equipment \$	Fixtures and fittings \$	Total \$
Cost				
At 1 June 2013	1,899,901	1,215	12,468	1,913,584
At 31 May 2014	<u>1,899,901</u>	<u>1,215</u>	<u>12,468</u>	<u>1,913,584</u>
Depreciation				
At 1 June 2013	370,331	1,215	8,606	380,152
Charge for the year	59,417	-	1,501	60,918
At 31 May 2014	<u>429,748</u>	<u>1,215</u>	<u>10,107</u>	<u>441,070</u>
<b>Net book values</b>				
<b>At 31 May 2014</b>	<u><b>1,470,153</b></u>	<u><b>-</b></u>	<u><b>2,361</b></u>	<u><b>1,472,514</b></u>
At 31 May 2013	<u>1,529,570</u>	<u>-</u>	<u>3,862</u>	<u>1,533,432</u>

Loans are secured upon property with a net book value of \$1,456,473 in the group and \$1,040,404 in the company.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**10. INVESTMENTS**

	<b>Group</b>		<b>Company</b>
	<b>Associates</b>	<b>Investments</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost			
At 1 June 2013	2,071,938	120,000	4,595,263
Additions	879,980	-	588,000
At 31 May 2014	<u>2,951,918</u>	<u>120,000</u>	<u>5,183,263</u>
Provisions			
At 1 June 2013	(162,826)	(120,000)	(243,920)
In the year	162,826	-	-
At 31 May 2014	<u>-</u>	<u>(120,000)</u>	<u>(243,920)</u>
<b>Net book values</b>			
<b>At 31 May 2014</b>	<u><b>2,951,918</b></u>	<u><b>-</b></u>	<u><b>4,939,343</b></u>
At 31 May 2013	<u>1,909,112</u>	<u>-</u>	<u>4,351,343</u>

Included above are the following subsidiaries (all of which are consolidated):

<b>Name</b>	<b>Country of incorporation</b>	<b>Nature of business</b>	<b>Proportion of ordinary share capital held</b>
Maviga NA Inc	United States of America	Traders & brokers of dry edible pulses and other special crops	100%
Maviga Europe Ltd	England & Wales	Traders & brokers of dry edible pulses and other special crops	100%
Maviga SA	Switzerland	Traders & brokers of dry edible pulses and other special crops	100%
Maviga ZA (PTY) Ltd	South Africa	Traders & brokers of dry edible pulses and other special crops	100%
Maviga West Africa Ltd	Nigeria	Traders & brokers of dry edible pulses and other special crops	100%
101020588 Saskatchewan Ltd	Canada	Holding Company	100%
Prayosa International Ltd	Tanzania	Traders & brokers of dry edible pulses and other special crops	97%

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**10. INVESTMENTS (CONTINUED)**

Maviga Ghana Ltd	Ghana	Traders & brokers of dry edible pulses and other special crops	100%
Maviga Mozambique Ltd	Mozambique	Traders and brokers of dry edible pulses and other special crop	100%
Maviga Middle East FZE	Dubai (U.A.E.)	Traders and brokers of dry edible pulses and other special crop	100%
Baba Agro Processing PLC	Ethiopia	Traders and brokers of dry edible pulses and other special crop	0%
Society Commodity Produce Impex Ltd SARL	Chad	Traders and brokers of dry edible pulses and other special crop	100%

Baba Agro Processing PLC is consolidated on the basis that Maviga International (Holdings) Limited controls the company via its employees, exercising dominant influence over its trading activities and the provision of finance to the company.

The group's associates are as follows:-

- (i) 20% ownership by 101020588 Saskatchewan Ltd of ordinary shares in a Canadian company, Belle Pulses Limited.

As 101020588 Saskatchewan Ltd continues to exercise significant influence this shareholding is treated as an associated company, rather than an investment. The principal activity of Belle Pulses Limited is that of pea-splitting, processing and supply to the wholesalers and manufacturers. Belle Pulses Limited has issued share capital of \$313,533 reserves of \$10,720,676 and made a profit of \$2,487,221 in the year to 31 May 2014.

- (ii) 49% ownership by 101020588 Saskatchewan Ltd of ordinary shares in a USA company, Belle Pulses USA LLP.

The 49% direct ownership by 101020588 Saskatchewan Ltd., and the further 10.2% indirect ownership by Maviga International (Holdings) Limited (via its 20% ownership of Belle Pulses Limited), means that the group exercises significant influence in this shareholding. It is therefore treated as an associated company, rather than an investment. The principal activity of Belle Pulses USA LLP is that of pea-splitting, processing and supply to the wholesalers and manufacturers. Belle Pulses USA LLP has issued share capital of \$1,000,000, deficit on reserves of \$408,542 and made a loss of \$361,566 in the year to 31 May 2014.

**11. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Goods for resale	<u>16,455,134</u>	<u>10,700,776</u>	-	-
	<u>16,455,134</u>	<u>10,700,776</u>	-	-

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**12. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade debtors	36,110,882	31,468,037	3,285	4,266
Amounts due from group undertakings	-	-	27,291,453	17,146,418
Tax recoverable	297,547	240,131	14,672	10,146
Other debtors	76,974	84,440	6,514	7,302
Prepayments	4,383,055	1,846,045	76,700	117,830
Deferred taxation asset – Note 15	124,033	1,868	52,353	-
	<u>40,992,491</u>	<u>33,640,521</u>	<u>27,444,977</u>	<u>17,285,962</u>

**13. CREDITORS: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank overdraft	4,504,241	2,402,763	5,987,802	1,631,776
Short term bank loan	16,000,000	10,000,000	16,000,000	10,000,000
Trade creditors	8,375,239	6,715,242	24,766	17,563
Amounts owed to group undertakings	-	-	1,772,769	1,874,571
Corporation tax	1,094,622	802,384	-	-
Long Term Loan	153,725	143,681	113,022	103,248
Other taxes and social security costs	45,902	3,808	-	-
Accruals	<u>6,806,567</u>	<u>7,304,683</u>	<u>119,439</u>	<u>198,186</u>
	<u>36,980,296</u>	<u>27,372,561</u>	<u>24,017,798</u>	<u>13,825,344</u>

**14. CREDITORS: amounts falling due after one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Long Term Loan	414,686	529,290	283,264	357,098
Deferred Taxation – Note 15	-	-	-	12,877
	<u>414,686</u>	<u>529,290</u>	<u>283,264</u>	<u>369,975</u>

Obligations under long term loans are payable as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Between two and five years	414,686	523,132	283,264	357,098
Over five years	-	6,158	-	-
	<u>414,686</u>	<u>529,290</u>	<u>283,264</u>	<u>357,098</u>

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**14. CREDITORS: amounts falling due after one year (continued)**

The bank loans are secured by way of a debenture over the land and buildings. The directors have provided personal guarantees for the bank loans (see note 23).

The long term loan comprises two loans each repayable over 10 years of quarterly instalments of \$24,400 and \$14,640 respectively. Interest is charged on both loans at the rate of 2.25% over the relevant bank lending rate.

**15. DEFERRED TAXATION**

Deferred taxation provided in the accounts and the further potential liabilities are as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred taxation movements				
Balance at 1 June 2013	(1,868)	(23,509)	12,877	(12,702)
Transfer (from)/to profit and loss account	(122,165)	21,641	(65,230)	25,579
Adjustment in the year				
At 31 May 2014	<u>(124,033)</u>	<u>(1,868)</u>	<u>(52,353)</u>	<u>12,877</u>

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accelerated capital allowances	6,225	(1,868)	12,243	12,877
Tax losses carried forward	(130,258)	-	(64,596)	-
	<u>(124,033)</u>	<u>(1,868)</u>	<u>(52,353)</u>	<u>12,877</u>

**16. CALLED UP SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Authorised Ordinary shares of \$100 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up and fully paid Ordinary shares of \$100 each	<u>1,046,300</u>	<u>1,037,700</u>

Details of share options granted and outstanding are as follows:-

At 1/6/13	Granted in year	Exercised in year	Number of Options Cancelled in year	At 31/5/14	Date from which Exercisable	Expiry Date	Exercise Price
1,025	-	(86)	-	939	31/1/2014	31/1/2015	\$1,666.35
<u>1,025</u>	<u>-</u>	<u>(86)</u>	<u>-</u>	<u>939</u>			



**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**17. SHAREHOLDERS' FUNDS**

GROUP	Share capital \$	Share premium \$	Capital redemption reserve \$	Profit and loss account \$	Total \$
At 1 June 2012	1,035,200	656,542	241,100	24,644,362	26,577,204
Issued in year	2,500	39,159	-	-	41,659
Dividends paid				(500,000)	(500,000)
Profit for the financial year				4,006,294	4,006,294
	<u>1,037,700</u>	<u>695,701</u>	<u>241,100</u>	<u>28,150,656</u>	<u>30,125,157</u>
At 31 May 2013					
Issued in year	8,600	134,706	-	-	143,306
Dividends paid	-	-	-	(500,000)	(500,000)
Profit for the financial year	-	-	-	4,053,234	4,053,234
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,053,234</u>	<u>4,053,234</u>
At 31 May 2014	<u>1,046,300</u>	<u>830,407</u>	<u>241,100</u>	<u>31,703,890</u>	<u>33,821,697</u>

COMPANY	Share Capital \$	Share premium \$	Capital Redemption Reserve \$	Profit and loss Account \$	Total \$
At 1 June 2012	1,035,200	656,542	241,100	11,786,857	13,719,699
Issue of new shares	2,500	39,159	-	-	41,659
Dividends paid	-	-	-	(500,000)	(500,000)
Profit for the financial year	-	-	-	893,209	893,209
	<u>-</u>	<u>-</u>	<u>-</u>	<u>893,209</u>	<u>893,209</u>
At 31 May 2013	1,037,700	695,701	241,100	12,180,066	14,154,567
Issue of new shares	8,600	134,706	-	-	143,306
Dividends paid	-	-	-	(500,000)	(500,000)
Profit for the financial year	-	-	-	(378,825)	(378,825)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(378,825)</u>	<u>(378,825)</u>
At 31 May 2014	<u>1,046,300</u>	<u>830,407</u>	<u>241,100</u>	<u>11,301,241</u>	<u>13,419,048</u>

During the year the company issued 86 new ordinary shares of \$100 each for a total consideration of \$143,306.

**18. DIVIDENDS**

	2014 \$	2013 \$
FY14 Interim Dividend of \$24.09174 per share, Paid 10 <sup>th</sup> September 2013	250,000	-
FY14 Interim dividend of \$24.09174 per share, Paid 11 <sup>th</sup> June 2013	250,000	-
(FY13 Interim dividend of \$24.09174 per share, paid 9 <sup>th</sup> April 2013)	-	250,000
(FY13 Interim dividend of \$24.09174 per share, paid 14 <sup>th</sup> February 2013)	-	250,000
	<u>500,000</u>	<u>500,000</u>

**19. SHARE BASED PAYMENTS**

The group issues equity settled share-based payments to certain employees. Options are forfeited if the employee leaves the group before the options vest. The group has applied the requirements of FRS 20 Share-based Payment.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**19. SHARE BASED PAYMENTS (CONTINUED)**

Details of these share options outstanding during the year are as follows:-

	2014		2013	
	No of Share opts	Exercise Price \$	No of Share opts	Exercise Price \$
Outstanding at beginning				
As at 1 <sup>st</sup> June 2013	1,025	-	1,050	-
Granted during the year	-	-	-	-
Exercised during the year	(86)	\$1,666.35	(25)	\$1,666.35
As at 31 <sup>st</sup> May 2014	<u>939</u>		<u>1,025</u>	
			2014	2013
			\$	\$
Fair value charge			-	-

No directors exercised share options during the year (2013 – nil).

The inputs into the Black-Scholes option pricing model in respect of the option when it was first granted are as follows:

Expected volatility	24
Expected life	3 years
Risk-free rate	5.50%
Expected dividend yield	3.79%

Expected volatility was estimated by the directors based upon the average volatility for companies in the sector which has then been increased to take account of the estimated increase in volatility associated with not being listed on a market.

After calculating the fair values of options granted, the directors do not consider that an adjustment to the financial statements is required as it was not material.

**20. OPERATING LEASE COMMITMENTS**

	Group Land and buildings 2014	2013
Commitments under operating leases to make payments in the following year are as follows:-	\$	\$
Expiring in less than 1 year		
Expiring between 1 and 2 years	336,262	293,056
Expiring between 2 and 5 years	129,171	114,532
	<u>42,814</u>	<u>18,689</u>

**21. CONTINGENT LIABILITIES**

The group's principal bank overdraft and loans are secured by a fixed and floating charge over the assets of the company and group. As at 31<sup>st</sup> May 2014 the group had utilised \$16,000,000 (2013 - \$10,000,000) of its principal bank facilities of \$45,000,000 (2013 - \$40,000,000), and bank loans equalled \$568,411 (2013 - \$672,971).

As at 31 May 2014 the group also had exposure to bonds and guarantees as part of commercial contracts entered into of \$139,287 (2013: \$820,769)

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**22. ULTIMATE CONTROLLING PARTY**

In the directors' opinion E H M Coles is the ultimate controlling party.

**23. RELATED PARTY TRANSACTIONS**

In accordance with FRS 8: Related Party Disclosures, the company is exempt from disclosing transactions with wholly owned members of the group.

One director (M Coles) has provided a personal guarantee to Barclays Bank PLC of £250,000 and to National Westminster Bank PLC of £100,000. Another director (M Quann) has provided a personal guarantee to National Westminster Bank PLC of £34,000.

Dividends of \$285,053 (2013 - \$288,053) were payable to E H M Coles, a director of the company during the year. Dividends of \$120,411 (2013 - \$120,410) were payable to M R Quann, a director of the company, during the year. Dividends of \$45,774 (2013 - \$45,774) were payable to C Lude, a director of the company, during the year. Dividends of \$1,205 (2013 - \$1,204) were payable to A Cooke, a director of the company, during the year.

As disclosed in note 10, the company owned 97% of the ordinary share capital of Prayosa International Ltd as at 31 May 2014. During the year Prayosa International Ltd engaged in the following transactions with other group companies:

	<b>2014</b>
	<b>\$</b>
Sales to Maviga SA	11,979,456
Sales to Maviga Middle East FZE	6,080,242
Funds received from Maviga Int'l (Holdings) Ltd	21,385,620

As at 31 May 2014 Prayosa International Ltd owed Maviga International (Holdings) Limited \$6,782,151.

As at 31 May 2014 Prayosa International Ltd was due \$1,213,281 from Maviga Middle East FZE.

The company controlled Baba Agro Processing PLC during the year. Baba Agro Processing PLC engaged in the following transactions with other group companies:

	<b>2014</b>
	<b>\$</b>
Sales to Maviga SA	2,509,329
Sales to Maviga Middle East FZE	1,352,179
Sales to Maviga Europe Ltd	2,264,988
Funds received from Maviga Int'l (Holdings) Ltd	7,332,630

As at 31 May 2014 Baba Agro Processing PLC owed Maviga International (Holdings) Limited \$3,038,458.

As at 31 May 2014 Baba Agro Processing PLC was due \$40,599 from Maviga SA, \$303,575 from Maviga Middle East FZE and \$114,090 from Maviga Europe Ltd.

The company also owned 20% of the ordinary share capital of Belle Pulses Ltd and 49% of the ordinary share capital of Belle Pulses USA LLP. During the year the company purchased goods of \$8,539,775 from Belle Pulses Ltd and \$311,720 from Belle Pulses USA LLP. There were no sales to Belle Pulses Ltd and no amounts were owed to or by Belle Pulses Ltd at 31 May 2014.

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

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

	2014	2013
	\$	\$
Operating profit	5,273,295	5,799,670
Depreciation	397,277	450,959
Loss on disposal of fixed assets	-	42,667
(Increase)/decrease in stocks	(5,754,358)	5,359,536
(Increase)/decrease in debtors	(7,172,389)	5,324,935
Increase in creditors	1,203,975	1,276,640
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b><u>(6,052,200)</u></b>	<b><u>18,254,407</u></b>

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

	2014	2013
	\$	\$
Returns on investment and servicing of finance:		
Interest received	24,050	21,403
Interest paid	<u>(1,036,910)</u>	<u>(873,292)</u>
Net cash (outflow) from returns on investments and servicing of finance	<u>(1,012,860)</u>	<u>(851,889)</u>
Capital expenditure and financial investment:		
Purchase of associated undertaking	(588,000)	(490,000)
Purchase of tangible fixed assets	<u>(1,004,449)</u>	<u>(159,898)</u>
Net cash (outflow) from capital expenditure and financial investment	<u>(1,592,449)</u>	<u>(649,898)</u>

**26. FINANCING**

	2014	2013
	\$	\$
Loan repaid	(104,560)	(161,538)
Issue of shares	143,306	41,659
Dividends paid	<u>(500,000)</u>	<u>(500,000)</u>
Net cash (outflow) from financing	<u>(461,254)</u>	<u>(619,879)</u>

**MAVIGA INTERNATIONAL (HOLDINGS) LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MAY 2014**

**27. ANALYSIS OF CHANGES IN NET DEBT DURING THE YEAR**

	At 1 June 2013 \$	Cash flow \$	Other non-cash changes \$	At 31 May 2014 \$
Cash in hand and at bank	8,973,398	(1,566,635)	-	7,406,763
Overdrafts	(2,402,763)	(2,101,478)	-	(4,504,241)
Short term loans	(10,000,000)	(6,000,000)	-	(16,000,000)
	<u>(3,429,365)</u>	<u>(9,668,113)</u>	<u>-</u>	<u>(13,097,478)</u>
Debt due within 1 year	(143,681)	104,560	(114,604)	(153,725)
Debt due after 1 year	(529,290)	-	114,604	(414,686)
	<u>(4,102,336)</u>	<u>(9,563,553)</u>	<u>-</u>	<u>(13,665,889)</u>