

Registered number:05776306

NW TRADING (COMMODITIES) LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

For the year ended 31 October 2016

PM+M Solutions for Business LLP
Chartered Accountants
Statutory Auditors
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB



NW TRADING (COMMODITIES) LIMITED

COMPANY INFORMATION

Directors	C Littler A Forker A Woolrich
Company secretary	A Woolrich
Registered number	05776306
Registered office	Cavendish Wharf Off Duke Street Birkenhead Merseyside CH41 1HN
Independent auditors	PM+M Solutions for Business LLP Chartered Accountants & Statutory Auditors Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
Bankers	National Westminster Bank plc 1 Upper Market Square Hanley Stoke on Trent Staffordshire ST1 1QA

NW TRADING (COMMODITIES) LIMITED

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NW TRADING (COMMODITIES) LIMITED

STRATEGIC REPORT

For the Year Ended 31 October 2016

Business review

The company's principal activity continues to be that of a trader in bulk fertiliser products.

The company has a commitment to provide quality customer service to its blue-chip customers from its bulk/break bulk handling terminals at Birkenhead on the River Mersey, together with Hull and Goole on the Humber estuary. The company prides itself on its customer service and strives to build long term relationships with its customers.

During the year the directors are satisfied with the financial performance of the company. The losses relate to residual business as the main fertiliser trading carried out in previous years is now carried out by the group's joint venture partner, Fertlink Limited.

Sales have increased in comparison to the previous year by just under 3% but cost pressures on commodity prices have resulted in a reduction of gross profit of over 40%. Despite a reduction in overhead costs and recharges to the joint venture partner, the company has reported another loss for the financial year.

The group continues to invest significant sums into fixed assets during the year which has been necessary to put in place the infrastructure to support and sustain the growth of the business.

The company will, on an ongoing basis, continue to seek new opportunities for growth in the company and where necessary, invest in its future.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks, price risk, interest rate risk and credit risks. The group's policy in respect of managing financial risk has not changed significantly in the year ended 31 October 2016.

The company is exposed to commodity price risk principally in respect of certain raw materials in its Trading and Joint Venture activities. The group actively monitors price fluctuations in deciding when to purchase and sell materials at times when prices are favourable to the group.

The company is exposed to interest rate risk due to its floating rate borrowings. Management uses cash flow forecasting to manage such exposure.

Where appropriate, relevant credit checks are performed on potential customers before sales are made. The amount of exposure to any given customer is controlled by means of credit control procedures that are monitored closely by management.

NW TRADING (COMMODITIES) LIMITED

STRATEGIC REPORT (CONTINUED)
For the Year Ended 31 October 2016

Principal risks and uncertainties (continued)

The extent of these risks is regularly reviewed and assessed by management. This process is considered to be effective given the size and nature of the risks involved, but will be reviewed in the future should circumstances change.

This report was approved by the board on 28 June 2017 and signed on its behalf.

C Littler
Director

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NW TRADING (COMMODITIES) LIMITED

DIRECTORS' REPORT

For the Year Ended 31 October 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £78,607 (2015 - loss £19,583).

Directors

The directors who served during the year were:

C Littler
A Forker
A Woolrich

NW TRADING (COMMODITIES) LIMITED

DIRECTORS' REPORT (CONTINUED)

For the Year Ended 31 October 2016

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 auditors are aware of that information.


Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, PM+M Solutions for Business LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 June 2017 and signed on its behalf.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a horizontal stroke.

C Littler
Director

NW TRADING (COMMODITIES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NW TRADING (COMMODITIES) LIMITED

We have audited the financial statements of NW Trading (Commodities) Limited for the year ended 31 October 2016, set out on pages 9 to 17. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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 explained more fully in the Directors' Responsibilities Statement 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. 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 Financial Reporting Council'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 Company's affairs as at 31 October 2016 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.

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 those financial statements.

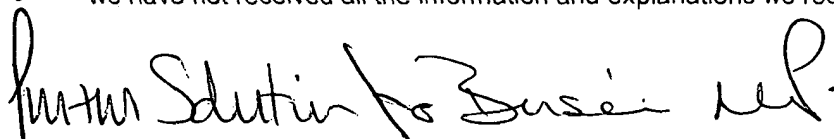
NW TRADING (COMMODITIES) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NW TRADING (COMMODITIES) 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.



Christopher Johnson (Senior Statutory Auditor)

for and on behalf of
PM+M Solutions for Business LLP

Chartered Accountants
Statutory Auditors

Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

18 July 2017

NW TRADING (COMMODITIES) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 31 October 2016

	Note	2016 £	2015 £
Turnover	4	18,421,022	17,917,428
Cost of sales		(18,223,879)	(17,585,616)
Gross profit		197,143	331,812
Administrative expenses		(375,144)	(509,011)
Other operating income	5	99,394	157,616
Operating loss	6	(78,607)	(19,583)
Loss after tax		(78,607)	(19,583)
Retained earnings at the beginning of the year		(233,662)	(214,081)
Loss for the year		(78,607)	(19,583)
Retained earnings at the end of the year		(312,269)	(233,664)

The notes on pages 11 to 17 form part of these financial statements.

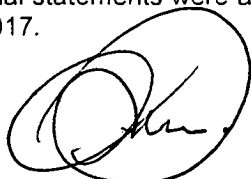
NW TRADING (COMMODITIES) LIMITED
Registered number:05776306

BALANCE SHEET
As at 31 October 2016

		2016 £	2016 £	2015 £	2015 £
Current assets					
Stocks	8	667,686		969,823	
Debtors: amounts falling due within one year	9	5,537,404		3,950,610	
Cash at bank and in hand	10	292,037		2,591,193	
		<u>6,497,127</u>		<u>7,511,626</u>	
Creditors: amounts falling due within one year	11	<u>(6,809,396)</u>		<u>(7,745,289)</u>	
Net current liabilities			<u>(312,269)</u>		<u>(233,663)</u>
Net liabilities			<u>(312,269)</u>		<u>(233,663)</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			<u>(312,270)</u>		<u>(233,664)</u>
			<u>(312,269)</u>		<u>(233,663)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2017.

C Littler
Director



The notes on pages 11 to 17 form part of these financial statements.

NW TRADING (COMMODITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the Year Ended 31 October 2016

1. General information

NW Trading (Commodities) Limited is an entity incorporated in the United Kingdom. The registered office of the company is Cavendish Wharf, Off Duke Street, Birkenhead, Merseyside, CH41 1HN.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 17.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of N W Trading (Commodities) Limited as at 31 October 2016 and these financial statements may be obtained from Cavendish Wharf, Off duke street, Birkenhead, CH41 1HN.

2.3 Going concern

The financial statements have been prepared using the going concern basis, which assumes the ongoing support of the financiers and group. Assurance has been received that this will continue for a period of at least one year from the signing of theses financial statements and accordingly it is considered appropriate to prepare the accounts using the going concern basis.

NW TRADING (COMMODITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the Year Ended 31 October 2016

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a

NW TRADING (COMMODITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the Year Ended 31 October 2016

2. Accounting policies (continued)**2.8 Financial instruments (continued)**

financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NW TRADING (COMMODITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described above, management have made some judgments that have an effect of the amounts recognised in the financial statements. These also include key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £	2015 £
Management Charges Receivable	99,394	157,616
	<u>99,394</u>	<u>157,616</u>

6. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000	5,000
Exchange differences	4,421	(3,176)
Defined contribution pension cost	5,722	1,578
	<u>5,722</u>	<u>1,578</u>

During the year, no director received any emoluments (2015 - £NIL).

NW TRADING (COMMODITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2016

7. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	160,931	185,779
Social security costs	16,638	18,026
Cost of defined contribution scheme	5,722	1,578
	<u>183,291</u>	<u>205,383</u>

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

	2016 No.	2015 No.
Employees	<u>3</u>	<u>7</u>

8. Stocks

	2016 £	2015 £
Finished goods and goods for resale	667,686	969,823
	<u>667,686</u>	<u>969,823</u>

Stock recognised in cost of sales during the year as an expense was £18,173,879 (2015 - £17,585,616).

9. Debtors

	2016 £	2015 £
Trade debtors	2,569,788	868,514
Amounts owed by group undertakings	2,842,017	2,813,074
Other debtors	125,599	269,022
	<u>5,537,404</u>	<u>3,950,610</u>

Amounts owed by group undertakings are under no formal agreement.

NW TRADING (COMMODITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 October 2016

10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	292,037	2,591,193
	<u>292,037</u>	<u>2,591,193</u>

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,502,856	2,918,801
Amounts owed to group undertakings	3,885,536	3,845,133
Other taxation and social security	138,168	162,670
Other creditors	-	310,313
Accruals and deferred income	282,836	508,372
	<u>6,809,396</u>	<u>7,745,289</u>

Amounts owed to group undertakings are under no formal agreement.

12. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

13. Contingent liabilities

The company is party to an inter company composite guarantee to secure bank borrowings to fellow subsidiary companies with the group and Rosehaven Trading Limited, a related entity incorporated in the United Kingdom. The net group liability to the bank at the balance sheet date was £3,261,136 (2015 - £3,145,781).

The company is also party to a cross guarantee to secure a hire purchase creditor in respect of amounts owed by NW Trading (Holdings) Limited. The net group liability at the year end amounted to £2,284,161 (2015 - £1,954,639).

The company is party to a group VAT registration and thus has joint and several liability in this respect. The net group liability at the year end amounted to £139,070 (2015 - £134,350).

NW TRADING (COMMODITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the Year Ended 31 October 2016

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £5,722 (2015 - £1,578). No contributions were payable to the fund at the balance sheet date.

15. Related party transactions

As a subsidiary undertaking of NW Trading (Holdings) Limited, the company has taken advantage of the exemption under Financial Reporting Standard Number 8 and has not disclosed transactions with other members of the group headed by NW Trading (Holdings) Limited.

There were no transactions or balances with other related parties.

16. Controlling party

The parent company is NW Trading (Holdings) Limited. Consolidated group accounts are available from the registered office, Cavendish Wharf, Off Duke Street, Birkenhead, Wirral, Merseyside, CH41 1HN.

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.