Registration number 07026479

AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011



AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

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AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION

Directors	K F Palmer V Chitalu T Brosnan
Company secretary	Jordan Company Secretaries Limited
Registered office	St Nicholas House St Nicholas Road Surrey SM1 1EL
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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

Principal activity
The principal activity of the company is that of developing early stage agricultural enterprises in Africa

Directors of the company
The directors who held office during the year were as follows

K F Palmer

V Chitalu

T Brosnan

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a 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 The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Small company provisions
This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on 28/9/12 and signed on its behalf by

Keith Palmer

K F Palmer
Director

AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

We have audited the financial statements of Africa Agricultural Development Company Limited for the year ended 31 December 2011, set out on pages 6 to 12 The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 auditors
As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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 (APB'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 Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime

Scott M Lawrence (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date 28 September 2012

AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Year ended 31 December 2011 £	22 September 2009 to 31 December 2010 £
Turnover	2	1,053,480	804,322
Cost of sales		(1,022,366)	(776,209)
Gross profit		31,114	28,113
Administrative expenses		(220,173)	(63,014)
Operating loss	3	(189,059)	(34,901)
Other interest receivable and similar income		3,683	-
Loss on ordinary activities before taxation		(185,376)	(34,901)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	10	(185,376)	(34,901)

AFRICA AGRICULTURAL DEVELOPMENT COMPANY LIMITED

(REGISTRATION NUMBER 07026479)

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Note	31 December 2011 £	31 December 2010 £
Fixed assets			
Tangible fixed assets	5	41,548	31,912
Investments	6	29,871	-
		71,419	31,912
Current assets			
Debtors	7	50,445	188,649
Cash at bank and in hand		4,658,913	494,855
		4,709,358	683,504
Creditors Amounts falling due within one year	8	(4,721,219)	(750,316)
Net current liabilities		(11,861)	(66,812)
Net assets/(liabilities)		59,558	(34,900)
Capital and reserves			
Called up share capital	9	279,835	1
Profit and loss account	10	(220,277)	(34,901)
Shareholders' funds/(deficit)		59,558	(34,900)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board and authorised for issue on 28/9/12 and signed on its behalf by

Keith Palmer

K F Palmer
Director

1 Accounting policies

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern
The company meets its day to day working capital through grants received and share capital issued The directors have considered the company's cash flow requirements for the 12 months following the date of these financial statements and on the basis that the directors consider that the company will continue to have sufficient funds for the foreseeable future The directors consider it appropriate to prepare the financial statements on a going concern basis The financial statements do not include any adjustments that would result were the funding to be withdrawn

Turnover and grants
Turnover represents grant income associated with consultancy services provided and external consultancy fees excluding VAT

The company receives income from various entities in the form of grants to cover certain expenditure incurred by the company and others relating to projects Such grants are treated as a creditor on receipt and credited to the profit and loss account as the company provides services to the projects Expenditure incurred directly on behalf of the projects are not company expenses and are deducted directly from unutilised grants Grants receipts not yet utilised are shown within creditors amounts falling due within one year

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Asset class	Depreciation method and rate
Plant and machinery	25% straight line
Computer equipment	25% straight line

Fixed asset investments
Fixed asset investments are stated at historical cost less provision for any diminution in value

Deferred tax
Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation A net deferred tax asset is only recognised if it can be regarded as more likely than not that there will be a suitable taxable profits from which the future reversal of the underlying timing difference can be deducted Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Foreign currency
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction Exchange gains and losses are recognised in the profit and loss account

Pensions
The company operates a defined contribution pension scheme Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme

2 Turnover

During the year 100% of the company's turnover is derived from activities performed outside of the UK (2010 - 100%)

3 Operating loss

Operating loss is stated after charging

	Year ended 31 December 2011 £	22 September 2009 to 31 December 2010 £
Auditor's remuneration - The audit of the company's annual accounts	4,120	4,000
Depreciation of tangible fixed assets	2,876	282

4 Taxation

On the basis of the results of the company for the year, there is no charge for corporation tax No provision for a deferred tax asset has been made on the basis that, given the company is a not for profit organisation, the directors believe that losses calculated for corporation tax purposes are unlikely to reverse in the forseeable future

The company has estimated losses of £233,000 (2010 - £65,000) available to carry forward against future trading profits

5 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2011	32,194	-	32,194
Additions	-	44,004	44,004
Disposals	(31,690)	-	(31,690)
At 31 December 2011	504	44,004	44,508
Depreciation			
At 1 January 2011	282	-	282
Charge for the year	126	2,750	2,876
Eliminated on disposals	(198)	-	(198)
At 31 December 2011	210	2,750	2,960
Net book value			
At 31 December 2011	294	41,254	41,548
At 31 December 2010	31,912	-	31,912

6 Investments held as fixed assets

	Unlisted investments £
Cost and net book value	
Additions	29,871
At 31 December 2011	29,871

7 Debtors

	31 December 2011 £	31 December 2010 £
Trade debtors	7,110	-
Other debtors	43,335	188,649
	50,445	188,649

8 Creditors Amounts falling due within one year

	31 December 2011 £	31 December 2010 £
Trade creditors	41,136	84,287
Grants not utilised	4,432,319	392,049
Other creditors	247,764	273,980
	4,721,219	750,316

Grants not utilised

The following grants not utilised are restricted and at the year end were fully committed to existing projects

	Catalytic fund investments	Catalytic funds management	BAGC partnership / secretariat	Innovative approaches	Africa Enterprrise Challenge fund	Total
	£	£	£	£	£	£
At 1 January 2011	308,792	73,924	9,333	-	-	392,049
Grants received	3,363,842	604,010	543,614	668,801	258,840	5,439,107
Grants utilised						
Taken to income	-	(546,573)	(278,390)	(32,340)	-	(857,303)
Invested in projects	(558,084)	-	-	-	-	(558,084)
Exchange rate movements	12,963	2,804	478	305	-	16,550
At 31 December 2011	3,127,513	134,165	275,035	636,766	258,840	4,432,319

Catalytic fund investments relate to funds held by the company on behalf of a number of external entities for the purpose of investment into Catalytic Fund projects

Catalytic fund management relates to grants received for the purpose of setting up and the ongoing operating costs associated with the management by the company of the Catalytic Fund

BAGC Partnership / secretariat relates to grants received for the purpose of setting up and the ongoing operating costs associated with the management by the company of the BAGC Partnership

Innovative approaches are grants received for the purpose of investing in innovative smallholder projects

The Africa Enterprise Challenge Fund is held on behalf of Phoenix Seeds LDA

In addition to the above restricted grants, the company received £157,106 from Small Foundation which was made available as an unrestricted grant This grant was fully utilised in the year

9 Share capital

Allotted, called up and fully paid shares

	31 December 2011		31 December 2010	
	No	£	No	£
Ordinary of £1 each	279,835	279,835	1	1

New shares allotted
During the year 279,834 Ordinary shares of £1 each having an aggregate nominal value of £279,834 were allotted to K Palmer at par

10 Reserves

	Profit and loss account £
At 1 January 2011	(34,901)
Loss for the year	(185,376)
At 31 December 2011	(220,277)

11 Pension schemes

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 £7,193 (2010 - £3,000)

Contributions totalling £1,618 (2010 - £nil) were payable to the schemes at the end of the year and are included in creditors

12 Related party transactions

During the year the company made the following related party transactions

InfraCo Limited
(A company under common control)
During the period the company made sales of £1,080 and accrued income of £68,526 At the balance sheet date the amount due (to)/from InfraCo Limited was (£81,747) (2010 - £10,013)

13 Control

The company is controlled by K F Palmer who owns 100% of the called up share capital