

COMPANY REGISTRATION NUMBER: 02576924

Omex Nitrogen Limited
Financial Statements
For the year ended
31 December 2017



Omex Nitrogen Limited
Financial Statements
Year ended 31 December 2017

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Omex Nitrogen Limited

Officers and Professional Advisers

THE BOARD OF DIRECTORS

O J Winkler
K W Atter
M O Winkler

COMPANY SECRETARY

D O'Donnell

REGISTERED OFFICE

Bardney Airfield
Tupholme
Lincoln
LN3 5TP

AUDITOR

Streets Audit LLP
Chartered accountant & statutory auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

Omex Nitrogen Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Principal activities

The principal activity of the company during the year was the importation and storage of Nitrogen fertilisers at the company's leased tank farm at Ipswich. During the year the company made a significant investment in a new tank farm at leased premises in Dundee.

Directors

The directors who served the company during the year were as follows:

O J Winkler

K W Atter

M O Winkler

(Appointed 27 April 2017)

In accordance with the Articles of Association, O J Winkler retires from office at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Directors' responsibilities statement

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 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;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Omex Nitrogen Limited



Directors' Report *(continued)*

Year ended 31 December 2017

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 25/6/18 and signed on behalf of the board by:



D O'Donnell
Company Secretary

Omex Nitrogen Limited

Independent Auditor's Report to the Members of Omex Nitrogen Limited

Year ended 31 December 2017

Opinion

We have audited the financial statements of Omex Nitrogen Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Omex Nitrogen Limited

Independent Auditor's Report to the Members of Omex Nitrogen Limited *(continued)*

Year ended 31 December 2017

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Omex Nitrogen Limited

Independent Auditor's Report to the Members of Omex Nitrogen Limited *(continued)*

Year ended 31 December 2017

Responsibilities of directors


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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



BENJAMIN HALSTEAD (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered accountant & statutory auditor
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedford
MK44 3BZ

25 June 2018

Omex Nitrogen Limited

Statement of Income and Retained Earnings

Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		906,947	820,657
Staff costs	6	138,756	115,263
Depreciation written off fixed assets		131,236	107,984
Other operating expenses		<u>536,886</u>	<u>495,306</u>
Operating profit		100,069	102,104
 Interest payable and similar expenses		 <u>23,350</u>	 <u>19,200</u>
Profit before taxation	7	76,719	82,904
Tax on profit	8	34,207	14,510
Profit for the financial year and total comprehensive income		<u>42,512</u>	<u>68,394</u>
 Retained earnings at the start of the year		 <u>579,373</u>	 <u>510,979</u>
Retained earnings at the end of the year		<u>621,885</u>	<u>579,373</u>

All the activities of the company are from continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.


The notes on pages 9 to 13 form part of these financial statements.

Omex Nitrogen Limited
Statement of Financial Position
31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	3,912,716	1,061,365
Current assets			
Debtors	10	18,312	12,088
Creditors: amounts falling due within one year	11	<u>3,154,583</u>	<u>433,352</u>
Net current liabilities		<u>3,136,271</u>	<u>421,264</u>
Total assets less current liabilities		<u>776,445</u>	<u>640,101</u>
Provisions			
Taxation including deferred tax		<u>153,560</u>	<u>59,728</u>
Net assets		<u><u>622,885</u></u>	<u><u>580,373</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>621,885</u>	<u>579,373</u>
Shareholders funds		<u><u>622,885</u></u>	<u><u>580,373</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 25/6/18, and are signed on behalf of the board by:



O J Winkler
Director

Company registration number: 02576924

The notes on pages 9 to 13 form part of these financial statements.

Omex Nitrogen Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Bardney Airfield, Tupholme, Lincoln, LN3 5TP.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Company information

Omex Nitrogen Limited is a Limited company, incorporated in England. The principal place of business is Cliff Quay, Ipswich, IP3 0BS.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

The directors of fellow group companies have confirmed their willingness to provide the company with adequate financial support for the foreseeable future.

Revenue recognition

Turnover represents amounts charged or sold to a group company and is exclusive of VAT.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Deferred tax

Deferred tax is provided for in full in respect of taxation deferred by timing differences between treatment of depreciation for tax and accounting purposes. Deferred tax is provided for on an undiscounted basis at 17%.

Tangible assets

All fixed assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	2.5% - 5% per annum
Plant and equipment	-	5% - 10% per annum
Office and laboratory equipment	-	10% - 20% per annum

Omex Nitrogen Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

5. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>380</u>	<u>330</u>

6. Staff costs

The average number of persons employed by the company during the year amounted to 5 (2016: 4).

The aggregate employment costs incurred during the year were:

	2017	2016
	£	£
Wages and salaries	127,238	105,638
Social security costs	<u>11,518</u>	<u>9,625</u>
	<u>138,756</u>	<u>115,263</u>

Wages and salaries include company pension contribution of £6,736 (2016: £5,628).

7. Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	<u>131,236</u>	<u>107,984</u>

8. Tax on profit

Major components of tax expense

	2017	2016
	£	£
Current tax:		
UK current tax expense	–	7,453
Adjustments in respect of prior periods	–	(128)
Group relief receipt/ (provided)	<u>(59,625)</u>	<u>–</u>
Total current tax	<u>(59,625)</u>	<u>7,325</u>
Deferred tax:		
Origination and reversal of timing differences	<u>93,832</u>	<u>7,185</u>
Tax on profit	<u>34,207</u>	<u>14,510</u>

Omex Nitrogen Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19.24% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>76,719</u>	<u>82,904</u>
Profit on ordinary activities by rate of tax	14,766	16,581
Effect of capital allowances and depreciation	<u>(74,391)</u>	<u>(9,128)</u>
Tax on profit	<u>(59,625)</u>	<u>7,453</u>

9. Tangible assets

	Leasehold Property £	Plant & Equipment £	Office & Laboratory Equipment £	Total £
Cost				
At 1 January 2017	40,974	1,378,944	11,411	1,431,329
Additions	–	2,982,587	–	2,982,587
At 31 December 2017	<u>40,974</u>	<u>4,361,531</u>	<u>11,411</u>	<u>4,413,916</u>
Depreciation				
At 1 January 2017	11,782	347,971	10,211	369,964
Charge for the year	2,049	128,979	208	131,236
At 31 December 2017	<u>13,831</u>	<u>476,950</u>	<u>10,419</u>	<u>501,200</u>
Carrying amount				
At 31 December 2017	<u>27,143</u>	<u>3,884,581</u>	<u>992</u>	<u>3,912,716</u>
At 31 December 2016	<u>29,192</u>	<u>1,030,973</u>	<u>1,200</u>	<u>1,061,365</u>

10. Debtors

	2017 £	2016 £
Other debtors	<u>18,312</u>	<u>12,088</u>

11. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,433	17,533
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,683,699	408,164
Corporation tax	–	7,325
Other creditors	468,451	330
	<u>3,154,583</u>	<u>433,352</u>

Omex Nitrogen Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

12. Pensions

Group Personal Pension Plan

A group personal pension plan was available throughout the year for all staff. All contributions are invested in a separate fund for each employee, which becomes available to them to provide income in retirement. The company's contribution to this scheme in 2017 was £6,736 and is charged to the Statement of Income and Retained Earnings as incurred.

Defined Benefit Scheme

A Defined Benefit Scheme based on final pensionable salary was available for staff of all group companies. It was closed to new members on 1st April 1998 and closed to future accrual for existing members on 30th June 2006. Consequently with effect from that date no further benefits are accruing to staff. The scheme continues to operate as a paid up scheme.

The scheme's funds are held entirely separately from those of any of the group companies' and at 31st December 2017 were invested by the scheme trustees in Gilts and Bonds funds as to 55.0%, equity funds as to 32.2% and a property fund as to 12.8%. All investments are in funds managed by Standard Life Investments Ltd, except for 19.2% of the total which is invested in two Gilt funds managed by Aviva Investors Pensions Ltd.

Contributions to the scheme are determined on the basis of a triennial valuation based on the attained age method. The latest triennial actuarial valuation of the scheme was conducted as at 1st January 2017 and showed that, on a continuing basis, the scheme's assets and liabilities were as follows:

	£000
Scheme assets	9,470
Scheme liabilities	9,893
Deficit	423

The sum as advised by the scheme actuary, required to eliminate the deficit, was paid into the scheme by 11 equal monthly instalments ending in November 2017.

It is not possible to identify separately the value of assets and liabilities applicable to each participating employer and the pension cost applicable to each group company is therefore accounted for as if it were a defined contribution scheme, as is permitted by FRS 102.

13. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2017	2016
	£	£
Tangible assets	<u>408,300</u>	<u>—</u>

14. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Later than 1 year and not later than 5 years	545,469	—
Later than 5 years	<u>2,313,000</u>	<u>721,789</u>
	<u>2,858,469</u>	<u>721,789</u>

Omex Nitrogen Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

15. Contingencies

The company is jointly and severally liable, together with other group companies, in respect of group banking facilities of £20,000,000 of which £10,879,808 was owing by other group companies at 31 December 2017.

16. Related party transactions

The following transactions with related parties have taken place during the year. All transactions were on normal commercial terms. All parties are fellow subsidiaries of Omex International Limited.

Name of Party	Description of Transactions	Income £	Expenditure £	Balance 2017	Balance 2016
				Dr / (Cr) £	Dr / (Cr) £
Omex Agriculture Limited	Services supplied	906,947		(2,683,699)	(408,164)
	Interest		23,350		
	Management services		24,910		

17. Controlling party

The ultimate parent company is Omex International Limited, a company incorporated in Bermuda.