

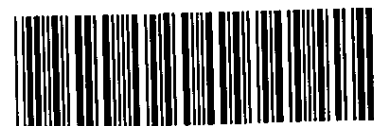
Armajaro Sourcing Limited

Report and Financial Statements 31 August 2008



Company Registration No. 6623831

FRIDAY



LD8 *L5DIJA9N* 159
29/05/2009
COMPANIES HOUSE

Armajaro Sourcing Limited

Report and financial statements 2008

Contents

Page

Directors' report

1

Directors' responsibilities statement

3

Independent auditors' report

4

Profit and loss account

6

Balance sheet

7

Notes to the accounts

8

Armajaro Sourcing Limited

Directors' report

The directors present their annual report and audited financial statements for the period from 18 June 2008 (date of incorporation) to 31 August 2008.

Business review and principal activities

The principal activity of the company is the provision of financing solutions to customers and trading partners of other Armajaro group companies by providing stock carrying and receivable financing arrangements. The company also facilitates cash & carry financing arrangements for physical commodities for third parties and acts as counterparty to both the purchase and sale of such commodities for a fixed fee but without exposure to the risks and rewards of ownership of the underlying physical commodity.

The company's financial position at the period end is strong.

There have been no significant events since the balance sheet date.

Principal risks and uncertainties

The company operates in a highly competitive environment. Associated risks are managed by offering competitive prices and products, by providing value added services and by maintaining strong relationships with customers and stakeholders. All risks are managed within the Armajaro Group risk management framework.

The company did not have net borrowings in the period and was therefore not exposed to any interest rate risk.

The company is exposed to counterparty risk and manages this risk by using trading limits which are closely monitored.

The company uses financial instruments as part of its day to day operating activities that are appropriate to its strategy and circumstances.

Results and dividends

The profit after taxation for the period from 18 June 2008 to 31 August 2008 was US\$216,000. The directors do not recommend the payment of a dividend.

Future prospects

The directors are pleased with the company's result for the period and intend to continue to develop the business of the company.

Employees

The company had no employees in the current period as detailed in note 3.

Key performance indicators

The company uses key performance indicators (KPIs) to measure its performance against budget including analysis of gross/net profit margin and aged debt analysis.

Armajaro Sourcing Limited

Directors' report (continued)

Issue of share capital

During the year, the company authorised and allotted 1,000,000 ordinary shares with a nominal value of US\$1,000,000 in connection with the incorporation of the company.

Directors

The directors who served throughout the period, were as follows:

R Ryan (appointed 18 June 2008)

N Debenham (appointed 18 June 2008)

The following directors were appointed after the period end:

W Venables (appointed 23 December 2008)

A Vohringer Wilks (appointed 23 December 2008)

M Bormann (appointed 23 December 2008)

Auditors

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

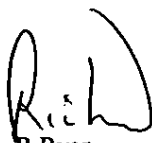
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

16 Charles Street
London
W1J 5DS


R Ryan
Director

27 May 2009

Directors' responsibilities statement

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

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

- select suitable accounting policies and 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; 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 Auditors' Report to the Members of Armajaro Sourcing Limited

We have audited the financial statements of Armajaro Sourcing Limited for the period from 18 June 2008 to 31 August 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if disclosures of directors' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

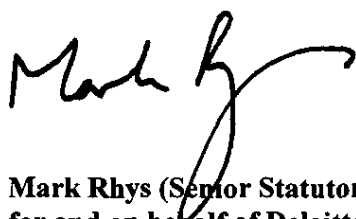
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Members of Armajaro Sourcing Limited (continued)

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.



**Mark Rhys (Senior Statutory Auditor)
for and on behalf of Deloitte LLP**

Chartered Accountants and Statutory Auditors

London, England

27 May 2009

Armajaro Sourcing Limited

Profit and loss account

Period from 18 June 2008 to 31 August 2008

	Notes	Period from 18 June 2008 to 31 August 2008 US\$'000
Turnover	1	1,180
Gross profit		1,180
Administrative expenses	2	(880)
Profit on ordinary activities before taxation	4	300
Tax on profit on ordinary activities	5	(84)
Profit on ordinary activities after taxation		216

There are no recognised gains or losses other than those shown in the profit and loss account above in the current period and accordingly no statement of total recognised gains and losses has been prepared.

The accompanying notes are an integral part of this profit and loss account.

Armajaro Sourcing Limited

Balance sheet 31 August 2008

	Notes	2008 US\$'000
Current assets		
Debtors	6	23,346
		<u>23,346</u>
Creditors: amounts falling due within one year	7	(22,130)
Total assets less current liabilities		<u>1,216</u>
Capital and reserves		
Called up share capital	8	1,000
Profit and loss account	9	216
Equity shareholders' funds	10	<u>1,216</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 27 May 2009.

Signed on behalf of the Board of Directors on 27 May 2009.


M Bormann
Director

Armajaro Sourcing Limited

Notes to the accounts

Period ended 31 August 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention.

Going concern

The directors' report describes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern bases in preparing the accounts.

Adoption of FRS 29

The company is exempt from the disclosures of FRS 29 which states that disclosures are not required for certain subsidiaries whereby at least 90 percent of the voting rights are held within the group provided that entity is included in publicly available consolidated financial statements which include disclosures that comply with the standard. These disclosures are made in the group financial statements of Armajaro Holdings Limited.

Turnover

Turnover represents fee income and is accounted for on an accruals basis. An analysis of turnover by geographical area has not been presented as the directors believe the disclosure of such information would be prejudicial to the interests of the company.

Dividends

Dividends are recognised in the year in which they are declared and paid.

Foreign currency

The financial statements are presented in US dollars as this is the currency of the primary economic environment in which the company operates.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates is included as an exchange gain or loss in the profit and loss account.

Trade debtors

Trade debtors are non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. Trade debtors are initially recognised at fair value.

Prepayments

Prepayments are typically payments in advance for services not yet received. Prepayments are initially recognised at fair value.

Receivables in advance

Receivables in advance represent cash payments received in advance for services not yet performed. Receivables in advance are initially recognised at fair value.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Armajaro Sourcing Limited

Notes to the accounts (continued)

Period ended 31 August 2008

2. Administrative expenses

	2008 US\$'000
Direct costs	2
Management recharge	878
	<u>880</u>

3. Staff costs

The company had no employees during the period as all staff involved in the company's activities are employed by fellow group undertakings. The parent company makes an appropriate charge to the company for its use of staff, including directors. This charge is included in administrative expenses.

There were no emoluments paid to directors for services to this company during the period. All directors are employed by Armajaro Holdings Limited, the ultimate parent company and are either directors of one of or both of Armajaro Holdings Limited or Armajaro Trading Limited, hence their emoluments are disclosed in the financial statements of these entities.

4. Profit on ordinary activities before taxation

The auditors' remuneration for the audit of the financial statements of the company is paid by the parent company, Armajaro Holdings Limited. The remuneration relating to this company was US\$ 1,500.

5. Tax on profit on ordinary activities

	2008 US\$'000
a) Analysis of tax charge in the period:	
UK Corporation tax at 28%	84

b) The current period tax charge is the same as that resulting from applying the standard UK Corporation Tax rate of 28%.

Profit on ordinary activities before tax	300
Tax charge at 28% thereon:	<u>(84)</u>

6. Debtors

	2008 US\$'000
Amount owed from parent company	2,911
Trade debtors	123
VAT	11
Prepayments	20,301
	<u>23,346</u>

All trade debtors are due within one year under normal settlement terms.

Armajaro Sourcing Limited

Notes to the accounts (continued)

Period ended 31 August 2008

7. Creditors: amounts falling due within one year

	2008 US\$'000
Trade creditors	76
Receivables in advance	21,970
Corporation tax	84
	<u>22,130</u>

8. Called up share capital

	2008 US\$'000
Authorised	
10,000,000 ordinary shares of US\$1 each	<u>10,000</u>
Allotted, called up and fully paid	
1,000,000 ordinary shares of US\$1 each	<u>1,000</u>

During the year, the company authorised 10,000,000 ordinary shares with a nominal value of US\$10,000,000 in connection with the incorporation of the company.

During the year, the company allotted 1,000,000 ordinary shares with a nominal value of US\$1,000,000 in connection with the incorporation of the company.

9. Profit and loss account

	2008 US\$'000
At 18 June 2008	-
Profit for the period	<u>216</u>
At 31 August 2008	<u>216</u>

10. Reconciliation of movements in equity shareholders' funds

	2008 US\$'000
Opening equity shareholders' funds	-
Ordinary shares issued during the period	1,000
Profit for the period	<u>216</u>
Closing equity shareholders' funds	<u>1,216</u>

11. Cash flow information

The company has not prepared a cash flow statement as it has taken advantage of the exemption available under paragraph 5(a) of Financial Reporting Standard No. 1 (Revised 1996): Cash Flow Statements. The company is a 100% owned subsidiary of Armajaro Trading Limited, a company which prepares consolidated accounts including a cash flow statement incorporating the results of Armajaro Sourcing Limited. The accounts of Armajaro Trading Limited are available to the public.

Armajaro Sourcing Limited

Notes to the accounts (continued)

Period ended 31 August 2008

12. Related parties

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8: Related Party Disclosures. Under this exemption, the company is not required to disclose transactions or balances with other Armajaro group companies because it is ultimately a wholly owned subsidiary of Armajaro Holdings Limited whose financial statements are publicly available.

During the period, the company earned US\$1,180,000 from CC+ Fund Limited, a fund managed by Armajaro Asset Management LLP, a fellow subsidiary of Armajaro Holdings Limited. US\$21,970,000 was owed to the fund as at year end, representing amounts received from the fund to cover future expenditure.

13. Ultimate parent company

The ultimate parent company is Armajaro Holdings Limited, a company incorporated in Great Britain, and is the largest group in which the results of the company are consolidated. Armajaro Trading Limited is the smallest group in which the results of the company are consolidated and is the immediate parent and controlling party of the company. Copies of the financial statements of both of these entities' are available from 16 Charles Street, London W1J 5DS.