

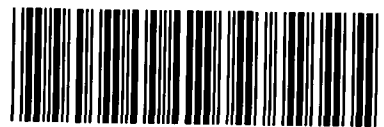
**Sumi Agro Limited**

**Annual report and financial  
statements**

**Registered number 7806329**

**31 December 2017**

MONDAY



LD4 \*L7DQMP77\* #107  
03/09/2018  
COMPANIES HOUSE

## **Contents**

Strategic report	3
Directors' report	6
Statement of directors' responsibilities in respect of the annual report and the financial statements	8
Independent auditor's report to the members of Sumi Agro Limited.	9
Consolidated Income Statement	11
Consolidated Statement of Comprehensive Income	12
Group Balance Sheet	13
Company Balance Sheet	15
Statement of Changes in Equity - Group	16
Statement of Changes in Equity - Company	17
Consolidated Cash Flow Statements	18
Notes to the financial statements	19

**Strategic report – Company registered number 7806329**

**Officers and professional advisers**

**Directors**

Mr. W. Wleklík  
Mr. K. Suzuki  
Mr. A. Dezza  
Mr. K. Murahashi  
Mr S. Hall (appointed 27<sup>th</sup> June 2017)

**Secretary**

Mr S. Hall

**Registered office**

Vintners' Place  
68 Upper Thames Street  
London  
EC4V 3BJ

**Bankers**

Citibank N.A.  
33 Canada Square  
London E14 5LB

Sumitomo Mitsui Banking Corporation  
Temple Court  
11 Queen Victoria Street  
London EC4N 4TA

**Solicitor**

Gisby Harrison  
Goffs Oak House  
Goffs Lane  
Cheshunt  
Herts EN7 5HG

**Auditor**

KPMG LLP  
Chartered Accountants  
London E14 5GL

## **Strategic report** - Company registered number: 7806329

The directors present their Strategic Report, Directors' Report and the audited financial statements, for the year ended 31 December 2017.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). Sumi Agro Limited (the "Parent Company" or the "Company") financial statements have been prepared and approved by the directors in accordance with, and rely on the disclosures exemptions set out in, FRS 101. On publishing the Parent Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

### **1 Principal activities**

The Company acts principally as a holding company of subsidiaries and branches which trade in plant protection and related products and selling principally across Europe. The German branch of the Company trades in plant protection and related products and selling principally in Germany

The Group is operating in a challenging market and competitive pressure is a continuing risk for the Group. The Group mitigates this risk by taking actions to secure and strengthen its position in the market.

### **2 Business review and Future prospects**

The Company continued to strengthen and develop its business in the European market with its strategic partners, Sipcam S.p.A. and Nippon Soda co. Ltd during 2017 in line with its policy to maintain steady growth in the future.

The Group's consolidated profit after tax for the year ended 31<sup>st</sup> December 2017 was €8.6 million compared to the previous year (2016: €7.0 million). Group turnover has increased across most operating entities with a 14.5% increase (2017: €128 million versus 2016: €112 million) through increased sales volumes of established products and a broadening of the Group's product portfolio. The profit ratio against turnover was 6.7% in 2017 compared to 6.3% in 2016.

Group net assets as at 31<sup>st</sup> December 2017 were €67.3 million (2016: €63.2 million). Net current assets increased to €48.1 million (2016: €44.2 million) where there were movements in short term loans (decrease €4.4 million), trade and other payables (increase €1.8 million), cash and cash equivalents (increase €1.9 million) and trade and other receivables (increase €5.5 million).

The Group is organised to meet the challenges facing the business and has a number of key organisational guidelines in place to ensure proper internal controls and adherence to management policies to secure its operations.

The Group's vision is to contribute towards the development and prosperity of society by providing eco-friendly solutions to the global food shortage, and to support a safe and sustainable supply of food through crop protection.

The management team reviews detailed monthly information covering a range of financial indicators (turnover growth, gross profit margin, stock turnover and recoverability of debt), and operational risks including, but not limited to; the impact of climatic conditions across the different geographies the Group operates in based on expected use of fungicides, pesticides, insecticides and other products, commodity prices, ongoing credit reviews of customers and monitoring of any supply chain management issues.

The monitoring of the progress of key strategic and business development projects is also done on a monthly basis, with individual project teams meeting in accordance with project plans. Formal meetings, involving the management team and management from each subsidiaries and associate company are held on a half yearly basis where performance against budget, forecast and KPIs is reviewed.

## Strategic report *(continued)*

The Company is part of Sumitomo Corporation Group companies and following the Brexit Vote in June 2016 the Company is reviewing the impact that Brexit may have on its operations in the future. The Company is registered for VAT and using this has experience of trading via German branch of Sumi Agro Limited. In the case of Brexit it is expected a review will be conducted for the optimum trading location. The dividends received from EU subsidiary companies will also need careful consideration until the full impact of Brexit is understood.

By order of the board



*Mr. Włodzimierz Wleklík*  
Director  
13 April 2018

*Vintners' Place*  
*68 Upper Thames Street*  
*London*  
*EC4V 3BJ*

## **Directors' report - Company registered number: 7806329**

The directors present their directors' report and the audited financial statements, for the year ended 31 December 2017.

### **Research and Development**

During the year, the Group has followed a number of activities, in line with its mid-term plan, to widen its own product portfolio through the development of new molecules of chemical plant protection products, the development of ready mixtures of molecules from J-Makers and generic suppliers, as well as the introduction of a range of biological products which could be added to the Group's product range in the future.

For the year ended 31 December 2017 Research and Development total costs amounted to €817,000 (2016: €1,288,000) which was charged to profit and loss.

### **Financial risk management objectives and policies**

The Group's activities expose it to a number of financial risks which include currency risk, credit risk, counterparty risk and liquidity risk.

#### *Currency risk*

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group uses foreign exchange contracts to hedge these exposures where possible and considered appropriate.

#### *Credit risk and counterparty risk*

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

Credit risk within the Group is managed by thorough review of customer request for credit and by using credit insurance where available. The review of customers in referencing external agencies such as Dunn and Bradstreet to obtain credit references and up to date status reports for all prospective and existing customers.

Counterparty risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

On the whole the Group has diversified its credit and counterparty risk to limit significant exposure from these risks.

#### *Liquidity risk*

The Group has arranged short term debt finance to ensure sufficient funds are available for ongoing operations and future developments. The short term debt finance is supported by a letter of guarantee from the ultimate parent company in Tokyo and the Directors consider that the Group will be able to maintain this financing for the foreseeable future.

### **Results and dividends**

The profit for the year after taxation amounts to €8,609,000 (2016: €7,039,000). At the year end no dividend in respect of 2017 has been declared. (2016: €5,000,000).

## **Directors' report** *(continued)*

### **Directors and their interests**

The following directors served throughout the year:

Mr. W. Wleklik  
Mr. K. Suzuki  
Mr. A. Dezza  
Mr. K. Murahashi  
Mr S. Hall (appointed 27<sup>th</sup> June 2017)

### **Employee Policy**

The Company is firmly committed to the continuation and strengthening of communication lines with all its employees, and is committed to equality of opportunity in all employment practices, policies and procedures. No employee or potential employee will therefore receive less favourable treatment due to their race, creed, nationality, colour, ethnic origin, age, or religious belief.

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2016: nil).

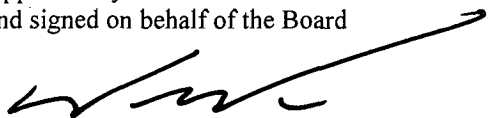
### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the 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

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

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



Mr. Wlodzimierz Wleklik  
Director  
13 April 2018

Vintners' Place  
68 Upper Thames Street  
London  
EC4V 3BJ

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUMI AGRO LIMITED**

### **Opinion**

We have audited the financial statements of Sumi Agro Limited ("the company") for the year ended 31 December 2017 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet and related notes set out on pages 11 to 51.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those report and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**James Lovegrove (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
13 April 2018

**Consolidated Income Statement**  
*for year ended 31 December 2017*

	<i>Note</i>	2017 €000	2016 €000
<b>Revenue</b>	1,2	<b>128,491</b>	112,204
Cost of sales		(94,213)	(80,583)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>34,278</b>	31,621
Other operating income	3	44	12
Distribution expenses		(2,158)	(2,040)
Administrative expenses		(10,881)	(10,341)
Other operating expenses	4	(10,024)	(10,178)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>11,259</b>	9,074
Financial income	7	90	86
Financial expenses	7	(376)	(219)
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>10,973</b>	8,941
Taxation	8	(2,364)	(1,902)
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>8,609</b>	7,039
		<hr/> <hr/>	<hr/> <hr/>
<b>Profit attributable to:</b>			
<b>Equity holders of the parent</b>		<b>8,609</b>	7,039
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

**Consolidated Statement of Comprehensive Income**  
*for year ended 31 December 2017*

	<i>Note</i>	<b>2017</b>	<b>2016</b>
		<b>€000</b>	<b>€000</b>
<b>Profit for the year</b>		<b>8,609</b>	<b>7,039</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial loss of defined benefit liability/asset- subsidiary		-	46
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation difference- foreign operations		<b>419</b>	<b>(356)</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>419</b>	<b>(310)</b>
<b>Total comprehensive income for the year</b>		<b>9,028</b>	<b>6,729</b>

The accompanying notes form part of these financial statements.

**Group Balance Sheet**  
*at 31 December 2017*

	<i>Note</i>	2017	2016
		€000	€000
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	1,603	1,457
Intangible assets	<i>11</i>	17,079	17,072
Investments	<i>12</i>	13	13
Deferred tax assets	<i>13</i>	467	468
		19,162	19,010
<b>Current assets</b>			
Inventories	<i>14</i>	24,522	25,062
Trade and other receivables	<i>15</i>	39,292	33,777
Cash and cash equivalents	<i>16</i>	24,102	22,251
		87,916	81,090
<b>Total assets</b>		107,078	100,100
<b>Current liabilities</b>			
Other interest-bearing loans and borrowings	<i>17</i>	(19,172)	(14,764)
Trade and other payables	<i>18</i>	(18,552)	(20,370)
Tax payable		(618)	(291)
Accruals		(1,465)	(1,417)
		(39,807)	(36,842)
<b>Non-current liabilities</b>			
Deferred tax liabilities	<i>13</i>	(9)	(24)
<b>Total Liabilities</b>		(39,816)	(36,866)
<b>Net assets</b>		67,262	63,234

**Group Balance Sheet** *(continued)*  
*at 31 December 2017*

	<i>Note</i>	2017	2016
		€000	€000
<b>Equity attributable to equity holders of the parent</b>			
Share capital	19	40,421	40,421
Translation reserve		(834)	(1,253)
Retained earnings		27,675	24,066
<b>Total equity</b>		<u>67,262</u>	<u>63,234</u>

These financial statements were approved by the board of directors on 13 April 2018 and were signed on its behalf by:



Mr. Włodzimierz Wleklík  
*Director*

Company registered number: 7806329

The accompanying notes form part of these financial statements.

**Company Balance Sheet**  
*at 31 December 2017*

	<i>Note</i>	<b>2017</b>	<b>2016</b>
		<b>€000</b>	<b>€000</b>
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>12</b>	<b>16</b>
Investments	<i>12</i>	<b>39,955</b>	<b>39,955</b>
		<hr/> <b>39,967</b>	<hr/> <b>39,971</b>
<b>Current assets</b>			
Inventories	<i>14</i>	<b>1,924</b>	<b>1,244</b>
Trade and other receivables	<i>15</i>	<b>537</b>	<b>528</b>
Cash and cash equivalents	<i>16</i>	<b>20,028</b>	<b>23,233</b>
		<hr/> <b>22,489</b>	<hr/> <b>25,005</b>
<b>Total assets</b>		<hr/> <b>62,456</b>	<hr/> <b>64,976</b>
<b>Current liabilities</b>			
Other interest-bearing loans and borrowings	<i>17</i>	<b>(141)</b>	<b>(101)</b>
Trade and other payables	<i>18</i>	<b>(618)</b>	<b>(2,200)</b>
Accruals		<b>(107)</b>	<b>(11)</b>
		<hr/> <b>(866)</b>	<hr/> <b>(2,312)</b>
<b>Total Liabilities</b>		<hr/> <b>(866)</b>	<hr/> <b>(2,312)</b>
<b>Net assets</b>		<hr/> <hr/> <b>61,590</b>	<hr/> <hr/> <b>62,664</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	<i>19</i>	<b>40,421</b>	<b>40,421</b>
Retained earnings		<b>21,169</b>	<b>22,243</b>
		<hr/> <b>61,590</b>	<hr/> <b>62,664</b>
<b>Total equity</b>		<hr/> <hr/> <b>61,590</b>	<hr/> <hr/> <b>62,664</b>

These financial statements were approved by the board of directors on 13 April 2018 and were signed on its behalf by:



Mr. Włodzimierz Wleklík  
*Director*

Company registered number: 7806329

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity Group

	Share capital	Translation reserve	Retained earnings	Total equity
	€000	€000	€000	€000
Balance at 1 January 2016	40,421	(894)	21,978	61,505
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	7,039	7,039
Effect of currency translation	-	(359)	3	(356)
Other comprehensive income	-	-	46	46
<b>Total comprehensive income for the period</b>	-	(359)	7,088	6,729
Dividends	-	-	(5,000)	(5,000)
<b>Total contributions by and distributions to owners</b>	-	-	(5,000)	(5,000)
<b>Balance at 31 December 2016</b>	<b>40,421</b>	<b>(1,253)</b>	<b>24,066</b>	<b>63,234</b>

	Share capital	Translation reserve	Retained earnings	Total equity
	€000	€000	€000	€000
Balance at 1 January 2017	40,421	(1,253)	24,066	63,234
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	8,609	8,609
Effect of currency translation	-	419	-	419
<b>Total comprehensive income for the period</b>	-	419	8,609	9,028
Dividends	-	-	(5,000)	(5,000)
<b>Total contributions by and distributions to owners</b>	-	-	(5,000)	(5,000)
<b>Total contributions by and distributions to owners</b>	-	-	(5,000)	(5,000)
<b>Balance at 31 December 2017</b>	<b>40,421</b>	<b>(834)</b>	<b>27,675</b>	<b>67,262</b>

The accompanying notes form part of these financial statements.



**Statement of Changes in Equity**  
Company

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total Parent equity</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Balance at 1 January 2016	40,421	18,801	59,222
Profit or loss	-	8,442	8,442
Dividends	-	(5,000)	(5,000)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<b>40,421</b>	<b>22,243</b>	<b>62,664</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total Parent equity</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Balance at 1 January 2017	40,421	22,243	62,664
Profit or loss	-	3,926	3,926
Dividends	-	(5,000)	(5,000)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	<b>40,421</b>	<b>21,169</b>	<b>61,590</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

## Consolidated Cash Flow Statements for year ended 31 December 2017

	<i>Note</i>	2017 €000	2016 €000
<b>Cash flows from operating activities</b>			
Profit for the year		8,609	7,039
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		676	654
Foreign exchange gains/(losses)		419	(356)
Financial income		(90)	(86)
Financial expense		376	219
Gain on sale of property, plant and equipment		(44)	(12)
Taxation		2,364	1,902
		<hr/> 12,310	<hr/> 9,360
Increase in trade and other receivables		(5,638)	(6,377)
Decrease/(Increase) in inventories		539	(4,851)
(Decrease)/Increase in trade and other payables		(1,768)	4,812
		<hr/> 5,443	<hr/> 2,945
Tax paid		(1,929)	(2,575)
		<hr/> 3,514	<hr/> 369
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		83	20
Interest received		90	86
Acquisition of property, plant and equipment	<i>10</i>	(689)	(473)
Acquisition of other intangible assets	<i>11</i>	(179)	(26)
		<hr/> (695)	<hr/> (393)
<b>Net cash from investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from new loan and Repayment of borrowings	<i>17</i>	4,407	7,515
Interest paid		(376)	(219)
Dividends paid	<i>20</i>	(5,000)	(5,000)
		<hr/> (969)	<hr/> 2,296
<b>Net cash from financing activities</b>			
Net increase in cash and cash equivalents		1,850	2,272
Cash and cash equivalents at 1 January		22,252	19,979
		<hr/> 24,102	<hr/> 22,251
<b>Cash and cash equivalents at 31 December</b>	<i>16</i>		

The accompanying notes form part of these financial statements.

## Notes to the financial statements for year ended 31 December 2017

### 1 Accounting policies

Sumi Agro Limited (the “Company”) is a company incorporated and domiciled in the UK.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”) and equity account the Group’s interest in associates. The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”). The Parent financial statements have been prepared and approved by the directors in accordance with, and rely on the disclosures exemptions set out in, FRS 101. On publishing the Parent Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

In these financial statements, the Company has applied the exemption available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

#### 1.2 Going concern

The directors expect that based on the Group’s forecasts and projections, the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval date of these accounts. The Company controls the cash pooling of some of the Group subsidiaries and have access to the Group cash. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Group net assets as at 31<sup>st</sup> December 2017 were €67.3 million (2016: €63.2 million). Net current assets increased to €48.1 million (2016: €44.2 million) where there were movements in short term loans (decrease €4.4 million), trade and other payables (increase €1.8 million), cash and cash equivalents (increase €1.9 million) and trade and other receivables (increase €5.5 million).

## Notes (continued)

### 1.3 Basis of consolidation

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### *Separate parent company financial statements*

In the parent company financial statements, all investments in subsidiaries and associates are carried at cost less impairment.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency (Euro) at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the Foreign Currency Translation Reserve (FCTR), net of amounts previously attributed to non-controlling interests, is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign currency differences arising on the retranslation of a hedge of a net investment in a foreign operation are recognised directly in equity, in the translation reserve, to the extent that the hedge is effective. When a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

#### 1.5 Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company (or group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company (or group); and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Investments in debt and equity securities*

Investment in subsidiaries and associates are stated at cost less impairment. Financial instruments held for trading are stated at fair value, with any resultant gain or loss recognised in profit or loss.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 1.7 Derivative financial instruments and hedging

##### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

No depreciation is provided on freehold land. The cost less residual value of other fixed assets is written off over their estimated useful lives on the basis and at the rates set out below:

Freehold buildings	Straight-line basis at 5% per annum
Leasehold land and buildings	Straight-line basis over the term of the leases
Motor vehicles	Reducing balance basis at 33.3% per annum
Plant and machinery	Straight-line basis at 20%, 10% or 7.5% per annum dependent on estimated useful life

#### 1.9 Business combinations

Business combinations are accounted for by applying the acquisition method. On the acquisition of a business, fair values are attributed to the Group's share of the identifiable assets and liabilities acquired. Where the cost of the acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off in accordance with the policy stated on intangible assets and goodwill.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.10 Acquisitions and disposals of non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

#### 1.11 Intangible assets and goodwill

##### Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

##### Licenses, patents, trademarks, research and development and software costs

Material costs are capitalised following the point when technical and commercial feasibility are satisfactorily assured and amortised, once commercial activities commence, on a straight-line basis over the estimated useful lives of the assets as follows:

Patents and trademarks	10 years
License and development costs	generally 5 to 10 years
Software costs	generally 5 to 10 years

Provision is made for any impairment. Costs of technical feasibility studies and expenditure on research are written off to the profit and loss account in the year in which they are incurred.

#### 1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of the attributable overheads.

#### 1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.14 Reserves

##### *Translation reserve*

The translation reserve comprises all foreign exchange differences arising since 1 January 2014, the transition date to Adopted IFRSs, from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

##### *Legal reserve*

The transfer of reserves from Retained earnings to un-distributable Legal reserves relates to legal requirements in Romania to hold certain elements of retained earnings within an un-distributable reserve.

#### 1.15 Revenue

The Company acts principally as a holding company in the Sumi Agro Limited Group and comprises of subsidiaries, branches and other investments trading in plant protection and related products and selling principally in Europe. The Company also acts as an intermediary in supply chain operations to coordinate supplies of goods into individual territories.

Turnover represents the net invoiced amount of goods sold and services provided, excluding value added tax. Whilst some order line discounts are registered at the time of sale, as is common in the industry, end of sales season rebates are settled with key customers when catalogued sales prices are revised to reflect the achievement of targeted sales volumes and any other conditions written in the customers' distribution agreements. Provisions for rebates are accrued during the year based on contracted conditions and market experience. Revenue is recognised on the date when risks and rewards of ownership are transferred under the terms of the relevant sales contract.

#### 1.16 Expenses

##### *Operating lease payments*

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

##### *Finance lease payments*

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### *Financing income and expenses*

Financing expenses comprise interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### 1.18 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### 1.19 Adopted IFRS not yet applied

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 9 Financial Instruments addressed the classification, measurement and recognition of financial assets and liabilities. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The Group is required to adopt IFRS 9 from 1 January 2018. The Group is currently evaluating the impact that IFRS 9 will have on its financial statements. The Group will take advantage if the exemption allowing it not to restate comparative information for prior year with respect to classification and measurement (including impairment) changes. Differences in carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will generally be recognised in retained earnings, reserves and trade and other receivables as at 1 January 2018. The Group does not apply Hedge accounting.

IFRS 15 Revenue from Contracts with Customers specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The Group is currently evaluating the impact that IFRS 15 will have on its financial statements. The Group plans to adopt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). As a result the Group will not apply the requirements of IFRS 15 to the comparative period presented. Any impact will be recognised under Revenue, retained earnings and trade and other receivables.

IFRS 16 Leases sets out the principle for the recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model where the lessee is required to recognise assets and liabilities for all material leases that have a term of greater than a year. The Group is currently evaluating the impact that IFRS 16 will have on its financial statements. The effective date of implementation is 1 January 2019.

There are no other IFRS standards or interpretations that are not yet effective that would be expected to have a material impact on the Group.

**Notes** *(continued)*

**2 Revenue**

	2017 €000	2016 €000
Sale of goods	128,491	112,204
Total revenues	<u>128,491</u>	<u>112,204</u>

**3 Other operating income**

	2017 €000	2016 €000
Net gain on disposal of property, plant and equipment	44	12
	<u>44</u>	<u>12</u>

**Notes (continued)**

**4 Operating Expenses**

*Included in the income statement are the following:*

	2017 €000	2016 €000
Depreciation and Amortisation of tangible and intangible assets	676	654
Research and development expensed as incurred	817	1,288
	<u>          </u>	<u>          </u>

**5 Auditor's remuneration**

	2017 €000	2016 €000
<b>Auditor's remuneration</b>		
Audit of these financial statements	35	36
Amount receivable by the Company's auditor and its associates in respect of: Audit of financial statements of subsidiaries of the Company	106	105
	<u>          </u>	<u>          </u>
	<u>141</u>	<u>141</u>

**6 Staff numbers and costs**

**Directors' emoluments**

	2017 €000	2016 €000
Total directors' emoluments excluding pension contributions	301	493
	<u>          </u>	<u>          </u>
Emoluments of the highest paid director.	142	318
	<u>          </u>	<u>          </u>

The number of directors who received emoluments from the Company during the year was two three (2016: two). There were no pension contributions paid in respect of Directors' emoluments.

**Employees**

The average number of persons employed by the Group during the year, including directors was:

	2017	2016
<b>Group</b>		
Management and Administration	168	164
	<u>          </u>	<u>          </u>

Staff costs incurred during the year in respect of these employees was:

	2017 €000	2016 €000
Wages and Salaries	8,235	8,054
Social security costs	1,944	1,569
Other Pension costs	19	35
	<u>          </u>	<u>          </u>
	<u>10,198</u>	<u>9,659</u>

**Notes** *(continued)*

**7 Finance Income and Expense**

**7.1 Finance Income**

**Recognised in the income statement**

	2017 €000	2016 €000
Interest receivable and similar income	90	86
Total finance income	<u>90</u>	<u>86</u>

**7.2 Finance Expense**

	2017 €000	2016 €000
Interest payable on bank loans and overdrafts	(376)	(219)
Total finance expense	<u>(376)</u>	<u>(219)</u>

**8 Taxation**

**Recognised in the income statement**

	2017 €000	2016 €000
Current tax expense		
Current year	(2,357)	(1,938)
Prior year adjustments	(4)	
Current tax expense	<u>(2,361)</u>	<u>(1,938)</u>
Origination and reversal of temporary differences	(3)	36
Deferred tax expense	(3)	36
Total tax expense	<u>(2,364)</u>	<u>(1,902)</u>

## Notes (continued)

### 8 Taxation (continued)

#### Tax recognised directly in equity (i.e., not in comprehensive income)

##### Reconciliation of effective tax rate

	2017 €000	2016 €000
Profit before tax for the year	10,973	8,941
Tax using the UK corporation tax rate of 19.25% (2016: 20 %)	2,112	1,788
Effect of tax rates in foreign jurisdictions	(645)	(423)
Prior year adjustment	4	-
Foreign Tax	223	207
Non-Taxable dividends	-	(13)
Non-deductible expenses	467	256
Current year losses for which no deferred tax asset was recognised	408	574
Fixed asset differences	-	5
R&D tax credit	(205)	(492)
Total tax expense (including tax on discontinued operations and equity accounted investees)	2,364	1,902

Reductions in the UK corporation tax rate to 20% (effective from 1 April 2016) were substantively enacted on 2 July 2013. Further reductions to 19% from 1 April 2017 then 18% from 1 April 2020 were substantively enacted on 26 October 2016. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

The deferred tax asset at 31 December has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

### 9 Profit of parent undertaking

As permitted by Section 408 of the Companies Act, the profit and loss account of the parent undertaking is not presented as part of these accounts. The parent undertaking's profit for the financial year amounted to €3,926,000 (2016: €8,442,000).

Notes (continued)

10 Property, plant and equipment

Group

	Leasehold Land and buildings	Freehold Land and buildings	Motor Vehicles	Plant and equipment	Fixtures & fittings	Total
	€000	€000	€000	€000	€000	€000
<b>Cost</b>						
Balance at 1 January 2016	39	344	1,935	354	319	2,991
Additions	-	-	373	40	78	491
Disposals	-	-	(154)	(9)	-	(163)
Effect of movements in foreign exchange	-	3	(12)	(1)	(2)	(12)
<b>Balance at 31 December 2016</b>	<b>39</b>	<b>347</b>	<b>2,142</b>	<b>384</b>	<b>395</b>	<b>3,307</b>
Balance at 1 January 2017	39	347	2,142	384	395	3,307
Additions	-	-	559	71	43	673
Disposals	-	-	(372)	(23)	(81)	(476)
Effect of movements in foreign exchange	2	2	36	3	3	45
<b>Balance at 31 December 2017</b>	<b>41</b>	<b>349</b>	<b>2,365</b>	<b>435</b>	<b>360</b>	<b>3,549</b>
<b>Depreciation and impairment</b>						
Balance at 1 January 2016	9	127	841	273	258	1,508
Depreciation charge for the year	2	11	386	49	38	486
Disposals	-	-	(127)	(10)	-	(137)
Effect of movements in foreign exchange	-	-	(4)	(2)	(1)	(7)
<b>Balance at 31 December 2016</b>	<b>11</b>	<b>138</b>	<b>1,096</b>	<b>310</b>	<b>295</b>	<b>1,850</b>
Balance at 1 January 2017	11	138	1,096	310	295	1,850
Depreciation charge for the year	2	11	416	39	34	502
Disposals	-	-	(333)	(23)	(81)	(437)
Effect of movements in foreign exchange	1	1	20	5	4	32
<b>Balance at 31 December 2017</b>	<b>13</b>	<b>151</b>	<b>1,199</b>	<b>331</b>	<b>252</b>	<b>1,946</b>
<b>Net book value</b>						
At 1 January 2016	30	217	1,094	81	61	1,483
At 31 December 2016	28	209	1,046	74	100	1,457
At 31 December 2017	27	198	1,166	104	108	1,603

**Notes** *(continued)*

**10 Property, plant and equipment** *(continued)*

**Group** *(continued)*

The net book value of land and buildings includes:

	2017 €'000	2016 €'000
Freehold land not depreciated	12	12



**Notes** *(continued)*

**10 Property, plant and equipment** *(continued)*

**Company**

	<b>Plant and equipment</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>
<b>Cost</b>		
Balance at 1 January 2016	60	60
Additions	7	7
	<hr/>	<hr/>
Balance at 31 December 2016	67	67
	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 January 2017	67	67
Additions	2	2
	<hr/>	<hr/>
Balance at 31 December 2017	69	69
	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation and impairment</b>		
Balance at 1 January 2016	38	38
Depreciation charge for the year	13	13
	<hr/>	<hr/>
Balance at 31 December 2016	51	51
	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 January 2017	51	51
Depreciation charge for the year	6	6
	<hr/>	<hr/>
Balance at 31 December 2017	57	57
	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>		
At 1 January 2016	22	22
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2016	16	16
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2017	12	12
	<hr/> <hr/>	<hr/> <hr/>

**Notes** (continued)

**11 Intangible assets**

<b>Group</b>	<b>Goodwill</b>	<b>Patents and trademarks</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Cost</b>			
Balance at 1 January 2016	14,336	3,128	17,464
Additions	-	28	28
Disposals	-	(1)	(1)
Effect of movements in foreign exchange	-	(7)	(7)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	14,336	3,148	17,484
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2017	14,336	3,148	17,484
Additions	-	180	180
Disposals	-	(24)	(24)
Effect of movements in foreign exchange	-	11	11
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	14,336	3,315	17,651
	<hr/>	<hr/>	<hr/>
<b>Amortisation and impairment</b>			
Balance at 1 January 2016	-	253	253
Amortisation for the year	-	167	167
Disposals	-	(1)	(1)
Effect of movements in foreign exchange	-	(7)	(7)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	-	412	412
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2017	-	412	412
Amortisation for the year	-	174	174
Disposals	-	(24)	(24)
Effect of movements in foreign exchange	-	10	10
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	-	572	572
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 January 2016	14,336	2,875	17,211
	<hr/>	<hr/>	<hr/>
At 31 December 2016	14,336	2,736	17,072
	<hr/>	<hr/>	<hr/>
At 31 December 2017	14,336	2,743	17,079
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 11 Intangible assets (continued)

#### Group (continued)

#### Amortisation and impairment charge

The amortisation charge is recognised within other operating expenses in the Consolidated Income Statement (see note 4)

#### Impairment testing

The impairment testing for the carrying value of Goodwill, which is considered significant in comparison to the Group's total carrying amount of such assets, is reviewed considering cash generating units or groups of cash generating units as follows:

	2017 €000	2016 €000
Goodwill SAF	3,886	3,886
Goodwill SAP	7,387	7,387
Goodwill SAC	1,419	1,419
Other Goodwill	1,774	1,774

The recoverable amount of the CGU group was based on its value in use, determined by discounting the future cash flow to be generated from each of the CGU. The sum of these values in use was then compared to the carrying value of Goodwill to assess if any impairment of Goodwill might be required. Following the assessment no impairment of Goodwill is required.

The key assumptions used in the estimation of the recoverable amount of the CGU's are set out below:

	2017	2016
Future periods on which management approved forecasts are prepared	4 years	4 years
Growth rate applied beyond approved forecast period	4%	4%
Discount rate range	3.9%-14.54%	7.4%-20.55%
Terminal Growth rate	0.5%	2%

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rates applied are post-tax measures and estimated based on the historical industry average weighted average cost of capital (WACC) relevant to the country of operation of the CGU, with a higher discount rate indicating a more risk country in which the CGU operates.

The cash flow projections included specific estimates for four years and terminal valuation thereafter. The terminal growth rate was determined based on management's estimated long-term compound annual EBITDA growth rate.

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next four years.

Any reasonable potential change in the above growth rates and discount rate would not result in a material impairment.

## Notes (continued)

### 12 Investments

#### Group

		<b>Other investments</b>	
		<b>€'000</b>	
<b>Cost</b>			
At 31 December 2016		13	
At 31 December 2017		<u>13</u>	
		<u><u>13</u></u>	
<b>Name</b>	<b>Investment held by</b>	<b>%</b>	<b>Nature of business</b>
<b>Registered in Hungary</b>			
Mariavolgy Rt.	Sumi Agro Hungary Ltd	0.01%	Golf activity
<b>Registered in Hungary</b>			
Cseber Kft	Sumi Agro Hungary Ltd	2.14%	Recycling company
<b>Registered in Hungary</b>			
Magyar Szója Nonprofit Kft	Sumi Agro Hungary Ltd	10.99%	Soybean production and regulation support

The Company has the following investments in subsidiaries and associates:

#### Company

		<b>Subsidiary</b>
		<b>undertakings</b>
		<b>€'000</b>
<b>Cost</b>		
At 1 January 2017 and 31 December 2017		<u>39,955</u>
		<u><u>39,955</u></u>

Details of the subsidiary undertakings of the Group, all of which are consolidated and of which all the issued ordinary share capitals are owned are as follows:

<b>Name</b>	<b>Investment held by</b>	<b>%</b>	<b>Nature of business</b>
<b>Registered in France</b>			
Sumi Agro France S.A.S.	Sumi Agro Limited	100%	Marketing and distribution of agrochemical and associated products
<b>Registered in Poland</b>			
Sumi Agro Poland Sp. Z o.o.	Sumi Agro Limited	100%	Marketing and distribution of agrochemical and associated products
<b>Registered in Romania</b>			
Summit Agro Romania S.R.L.	Sumi Agro Limited	100%	Marketing and distribution of agrochemical and associated products
<b>Registered in Hungary</b>			
Sumi Agro Hungary Ltd	Sumi Agro Limited	100%	Marketing and distribution of agrochemical and associated products
<b>Registered in Bulgaria</b>			
Sumi Agro Bulgaria EOOD	Sumi Agro Limited	100%	Marketing and distribution of agrochemical and associated products
<b>Registered in Czech Republic</b>			
Sumi Agro Czech s.r.o.	Sumi Agro Limited	100%	Marketing and distribution of agrochemical and associated products

**Notes** *(continued)*

**13 Deferred tax assets and liabilities**

*Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets</b>		<b>Liabilities</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>€000</b>	€000	<b>€000</b>	€000
Interest bearing.Loans and Borrowings	-	-	(9)	(24)
Accruals	<b>467</b>	468	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net tax assets / (liabilities)	<b>467</b>	468	(9)	(24)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A deferred tax asset has not been recognized by the Company and the Group in respect of revenue losses €1,473,928 (2016: €1,123,245), as there is insufficient evidence that the assets will be recovered.

The total amount of the asset not recognized by the Company and the Group is €1,473,928 (2016: €1,123,245). This is the tax value of the unrecognized asset calculated at 17%.

**Notes** *(continued)*

**13 Deferred tax assets and liabilities** *(continued)*

*Movement in deferred tax during the year*

	<b>1 January 2017</b>	<b>Recognised in income</b>	<b>Recognised in equity</b>	<b>31 December 2017</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Interest bearing Loans and Borrowings	(24)	14	1	(9)
Accruals	468	(17)	16	467
	<u>444</u>	<u>(3)</u>	<u>17</u>	<u>458</u>

*Movement in deferred tax during the prior year*

	<b>1 January 2016</b>	<b>Recognised in income</b>	<b>Recognised in equity</b>	<b>31 December 2016</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Interest bearing Loans and Borrowings	(10)	(14)	-	(24)
Accruals	383	50	35	468
	<u>373</u>	<u>36</u>	<u>35</u>	<u>444</u>

## Notes (continued)

### 14 Inventories

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>€000</b>	€000	<b>€000</b>	€000
Finished goods & goods for resale	25,489	25,870	2,119	1,474
Provision for slow moving stock	(967)	(808)	(195)	(230)
	<u>24,522</u>	<u>25,062</u>	<u>1,924</u>	<u>1,244</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €94,058,000 (2016: €80,083,000). The write-down of inventories to net realisable value amounted to €795,000 (2016: €853,000). The reversal of write-downs due to the Group's subsidiaries being able to sell the old products amounted to €640,000 (2016: €353,000). The write-downs and reversals are included in cost of sales.

### 15 Trade and other receivables

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>€000</b>	€000	<b>€000</b>	€000
Trade receivables due from third parties	33,535	26,883	71	17
Amounts owed by group undertakings	1,864	2,388	59	144
Other trade receivables	3,238	3,893	402	362
Prepayments	655	613	5	5
	<u>39,292</u>	<u>33,777</u>	<u>537</u>	<u>528</u>

### 16 Cash and cash equivalents

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>€000</b>	€000	<b>€000</b>	€000
Cash and cash equivalents per balance sheet	24,102	22,251	20,028	23,233
Cash and cash equivalents per cash flow statements	<u>24,102</u>	<u>22,251</u>	<u>20,028</u>	<u>23,233</u>

## 17 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group and Company's exposure to interest rate and foreign currency risk, see note 21(d).

	Group		Company	
	2017 €000	2016 €000	2017 €000	2016 €000
<b>Current Liabilities</b>				
Current portion of secured bank loans	18,586	13,118	-	-
Current portion of amount owed to Group Companies	586	1,646	141	101
	<b>19,172</b>	<b>14,764</b>	<b>141</b>	<b>101</b>

## 18 Trade and other payables

	Group		Company	
	2017 €000	2016 €000	2017 €000	2016 €000
<b>Current</b>				
Trade payables due to third parties	5,470	9,751	531	316
Trade payables due to related parties	10,726	8,136	46	1,858
Non-trade payables and accrued expenses	2,356	2,483	41	26
	<b>18,552</b>	<b>20,370</b>	<b>618</b>	<b>2,200</b>

## 19 Share Capital

	2017 €'000	2016 €'000
<b>Equity share capital</b>		
<b>Called up, allotted and fully paid:</b>		
40,421,000 ordinary shares of €1 each	40,421	40,421
	<b>40,421</b>	<b>40,421</b>



**Notes** *(continued)*

**20 Capital and reserves**

*Dividends*

The following dividends were recognised during the period:

The aggregate amount of dividends comprises:

<b>Group</b>	<b>2017 €'000</b>	<b>2016 €'000</b>
Final dividends proposed in respect of prior year but not recognised as liabilities in that year	-	5,000
At 31 December	<u>-</u>	<u>5,000</u>
	<u><u>-</u></u>	<u><u>5,000</u></u>
	<b>2017 €'000</b>	<b>2016 €'000</b>
Final dividends proposed in respect of prior year but not recognised as liabilities in that year	-	5,000
At 31 December	<u>-</u>	<u>5,000</u>
	<u><u>-</u></u>	<u><u>5,000</u></u>

**Notes** (continued)

**21 Financial instruments**

**21 (a) Fair values of financial instruments**

The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group does not have any financial instruments measured on Level 1 and 2.

**Fair Value**

Set out below is a comparison of the fair value and book value of all the Group's financial instruments by category. Fair values are determined by reference to market values, where available, or calculated by discounting cash flows at prevailing interest rates.

	2017		2016	
	Book Value	Fair Value	Book Value	Fair Value
	€000	€000	€000	€000
<b>Financial Assets</b>				
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	24,102	24,102	22,251	22,251
<b>Receivables</b>				
Trade receivables	35,399	35,399	29,299	29,299
Other receivables	3,893	3,893	4,478	4,478
	<u>63,394</u>	<u>63,394</u>	<u>56,028</u>	<u>56,028</u>
<b>Financial Liabilities</b>				
Trade Payables	5,470	5,470	9,751	9,751
Other Creditors	13,082	13,082	10,619	10,619
	<u>18,552</u>	<u>18,552</u>	<u>20,370</u>	<u>20,370</u>

**Estimation of fair values:**

**Trade and other receivables/payables**

The notional amount for all receivable /payables is deemed to reflect the fair value

## Notes (continued)

### 21 Financial instruments (continued)

#### 21 (b) Credit risk

##### Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

##### Group

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

Credit risk within the Group is managed by using credit insurance where available and other external agencies such as Dunn and Bradstreet to obtain credit references and up to date status reports for all prospective and existing customers.

Counterparty risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

On the whole the Group has diversified its credit and counterparty risk to limit significant exposure from these risks.

##### Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	Group	
	2017 €000	2016 €000
Cash	24,102	22,251
Trade and other receivables	39,292	33,777
	63,394	56,028
	63,394	56,028

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was:

	Group	
	2017 €000	2016 €000
Europe	34,174	28,712
Rest of World	1,225	559
	35,399	29,271
	35,399	29,271

**Notes** *(continued)*

**21 Financial instruments** *(continued)*

**21 (b) Credit risk** *(continued)*

The aging of trade receivables at the balance sheet date was:

Group	Gross	Impairment	Gross	Impairment
	2017	2017	2016	2016
	€000	€000	€000	€000
Past due 0-90 days	33,792	-	28,765	-
Past due 90-180 days	1,743	(130)	795	(285)
Past due 180-365 days	(6)	-	(4)	-
More than 365 days	1,387	(1,387)	1,127	(1,127)
	<b>36,916</b>	<b>(1,517)</b>	<b>30,683</b>	<b>(1,412)</b>

Other receivables are not considered to be past due or impaired and do not represent any significant credit risk.

## Notes (continued)

### 21 Financial instruments (continued)

#### 21 (c) Liquidity risk

##### Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

##### Group

The Group has arranged short term debt finance to ensure sufficient funds are available for ongoing operations and future developments. The short term debt finance is supported by a letter of guarantee from the ultimate parent company in Tokyo and the Directors consider that the Group will be able to maintain this financing for the foreseeable future.

##### Liquidity risk – Group

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

31 December 2017	2017 Carrying amount €000	2017 Contractual cash flows €000	2017 1 year or less €000	2017 1 to <2years €000	2017 2 to <5years €000	2017 5years and over €000
<b>Non-derivative financial liabilities</b>						
Secured bank loans	18,586	18,586	18,586	-	-	-
Trade and other payables	586	586	586	-	-	-
	<u>19,172</u>	<u>19,172</u>	<u>19,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2016	2016 Carrying amount €000	2016 Contractual cash flows €000	2016 1 year or less €000	2016 1 to <2years €000	2016 2 to <5years €000	2016 5years and over €000
<b>Non-derivative financial liabilities</b>						
Secured bank loans	13,118	13,118	13,118	-	-	-
Trade and other payables	1,647	1,647	1,647	-	-	-
	<u>14,765</u>	<u>14,765</u>	<u>14,765</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Notes (continued)

### 21 Financial instruments (continued)

#### 21 (d) Market risk

##### Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments

##### Market risk - Foreign currency risk

##### Group

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts

#### 31 December 2017

	Sterling €000	US Dollar €000	Romanian New Lei €000	Other €000	Total €000
Cash and cash equivalents	49	1,722	24	2,665	4,460
Trade receivables and other receivables	-	220	12,165	15,366	27,751
Secured bank loans	(13)	(270)	(11,691)	(5,060)	(17,034)
Trade payables and other payables	(21)	(4,727)	(661)	(2,044)	(7,453)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet exposure	15	(3,055)	(163)	10,927	7,724
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 31 December 2016

	Sterling €000	US Dollar €000	Romanian New Lei €000	Other €000	Total €000
Cash and cash equivalents	81	660	186	2,109	3,036
Trade receivables and other receivables	-	741	9,414	14,081	24,236
Secured bank loans	(4)	(96)	(6,029)	(9,119)	(15,248)
Trade payables and other payables	-	(4,896)	(813)	(2,113)	(7,822)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet exposure	77	(3,591)	2,758	4,958	4,202
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*

**21 Financial instruments** *(continued)*

**21 (d) Market risk** *(continued)*

**Market risk – Foreign currency risk** *(continued)*

*Sensitivity analysis*

**Group**

A 10 percent weakening of the following currencies against the Euro at 31 December 2017 would have decreased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 2016.

	Equity		Profit or loss	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Hungarian Forint	(642)	(527)	(26)	(22)
Polish Zloty	(831)	(692)	(27)	(26)
Romanian New Lei	(460)	(483)	(8)	(13)
Bulgarian Lev	(219)	(118)	(9)	(11)
Czech Koruna	(396)	(289)	(11)	(5)
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,548)	(2,109)	(81)	(77)
	<hr/>	<hr/>	<hr/>	<hr/>

A 10 percent strengthening of the above currencies against the Euro at 31 December 2017 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Notes** *(continued)*

**21 Financial instruments** *(continued)*

**21 (d) Market risk** *(continued)*

**Market risk – Interest rate risk**

*Profile*

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>€'000</b>	<b>€'000</b>
<b>Variable rate instruments</b>		
Financial liabilities	<b>(19,172)</b>	<b>(14,764)</b>

*Sensitivity analysis*

An increase of 25 basis points in interest rates at the balance sheet date would have decreased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for 2016.

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>€'000</b>	<b>€'000</b>
<b>Equity</b>		
Decrease	<b>(48)</b>	<b>(37)</b>
<b>Profit or loss</b>		
Decrease	<b>(48)</b>	<b>(37)</b>



## Notes (continued)

### 21 Financial instruments (continued)

#### 21 (e) Capital management

The Group's capital management objectives are:

- To increase the value of the assets of the business
- To provide an adequate return to shareholders in the future and
- To ensure the funding required to continue as a going concern

The Board's policy to achieve these objectives are to continue to invest in new product registrations within the territories the Group operates in, as well as maintaining excellent relationships with existing suppliers to ensure the ongoing future supplies of key products to the key customers and markets.

The Group's capital structure consists of debt, which includes the loans and borrowings disclosed in Note 17, cash and cash equivalents disclosed in Note 16 and the equity attributable to the parent, comprising share capital, reserves and retained earnings, as disclosed in the consolidated statement of changes in equity.

The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Group may alter the total amount of dividends paid to shareholders, return capital to shareholders, issue new shares, draw down additional debt or reduce its debt capital.

## Notes (continued)

### 22 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group			
	Land and Building		Motor Vehicles	
	2017 €000	2016 €000	2017 €000	2016 €000
Within one year	504	238	132	36
Within two and five years	746	429	43	24
	<u>1,250</u>	<u>667</u>	<u>175</u>	<u>60</u>

The Group leases a number of office buildings and motor vehicles under operating leases. Land and buildings have been considered separately for lease classification.

#### Group

During the year €1,004,000 was recognised as an expense in the income statement in respect of operating leases (2016: €412,000).

### 23 Related Parties

	Sales €'000	Management Fees Received €'000	Dividend Received €'000	Expenses €'000	Management Fees Paid €'000	Dividend Paid €'000
<b>2017</b>						
Transactions between:						
The Company and SAE Group	-	-	-	-	-	3,400
The Group and other related parties	-	-	-	-	-	1,600
SAL Group Subsidiaries and SAE Group	1,389	-	-	1,389	-	-
The Company and subsidiaries	-	330	6,045	-	330	6,045
The Group and other SC Group Companies	3,951	-	-	8,064	-	-
	<u>5,340</u>	<u>330</u>	<u>6,045</u>	<u>9,453</u>	<u>330</u>	<u>11,045</u>
<b>2016</b>						
Transactions between:						
The Company and SAE Group	-	-	-	-	-	3,400
The Group and other related parties	-	-	-	-	-	1,600
SAL Group Subsidiaries and SAE Group	1,472	-	-	1,472	-	-
The Company and subsidiaries	-	330	11,331	-	330	11,331
The Group and other SC Group Companies	3,334	-	-	18,122	-	-
	<u>4,806</u>	<u>330</u>	<u>11,331</u>	<u>19,594</u>	<u>330</u>	<u>16,331</u>

## Notes (continued)

### 23 Related Parties (continued)

2017	Accounts Receivables €'000	Accounts Payables €'000
Transactions between:		
The Company and SAE Group	46	-
SAL Group Subsidiaries and SAE Group	1,854	1,923
SAL Group and other SC Group Companies	13	5,949
	1,913	7,872
	1,913	7,872
2016	Accounts Receivables €'000	Accounts Payables €'000
Transactions between:		
Parent company and subsidiaries	63	20
SAL Group Subsidiaries and SAE Group	2,377	4,079
SAL Group and other SC Group Companies	14	4,104
	2,454	8,203
	2,454	8,203

“SAE Group” refers to the Group’s immediate parent company, Sumi Agro Europe Limited and its other subsidiaries.

“SC Group Companies” refers to the ultimate parent company, Sumitomo Corporation and its other subsidiaries (see note 23).

The “other related parties” item above includes normal business operations with Sipcam S.p.A and Nippon Soda co.

Included within cash and short term deposits is €17,197,000 (2016: €19,175,000) on deposits with group undertaking.

The dividend received of €6,045,000 (2016: €11,331,000) and management fee received of €330,000 (2016: €330,000) included in “The Company and subsidiaries” relate to dividends and management fees received by the company from its subsidiaries. The dividend paid of €6,045,000 (2016: €11,331,000) and management fee paid of €330,000 (2016: €330,000) included in “The Company and subsidiaries” relate to dividends and management fee paid by the subsidiaries of Sumi Agro Limited to the company

### 24 Ultimate parent company and parent company of larger group

In the opinion of the directors, the immediate and ultimate parent and controlling company is Sumitomo Corporation, incorporated in Japan. This is also the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are prepared. Copies of Sumitomo Corporation's accounts can be obtained from, 1-8-11, Harumi, Chuo-ku, Tokyo 104-8610, Japan.