

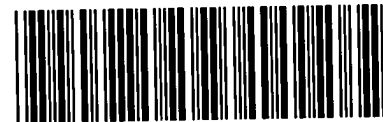
Registered number: 07968310

TERRAFERTIL UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2017

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TERRAFERTIL UK LIMITED

DIRECTORS' REPORT
For the Year Ended 31 December 2017

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

Directors

The directors who served during the year were:

Daniel Bermeo (resigned 19 March 2018)
David Bernéo

Tom Benton was appointed a director on 19 March 2018.

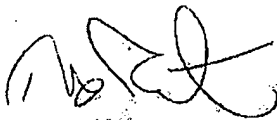
Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10 September 2018 and signed on its behalf.



Tom Benton
Director

TERRAFERTIL UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
For the Year Ended 31 December 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TERRAFERTIL UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TERRAFERTIL UK LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

TERRAFERTIL UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TERRAFERTIL UK LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

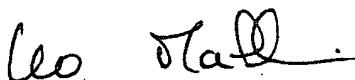
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

TERRAFERTIL UK LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TERRAFERTIL UK LIMITED
(CONTINUED)**

Use of our report

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.



Leo Malkin (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date:

11 September 2018

TERRAFERTIL UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS For the Year Ended 31 December 2017

		<i>As restated</i>	
	Note	2017 £	2016 £
Turnover		6,236,418	4,827,105
Cost of sales		(5,036,801)	(3,937,875)
Gross profit		1,199,617	889,230
Administrative expenses		(1,742,764)	(1,053,837)
Fair value movement: forward contracts		-	18,430
Operating loss	3	(543,147)	(146,177)
Interest receivable and similar income		82,791	23,774
Interest payable and expenses		(91,786)	(75,014)
Loss before tax		(552,141)	(197,417)
Tax on loss		-	-
Loss after tax		(552,141)	(197,417)
Retained earnings at the beginning of the year		(366,663)	(169,246)
Loss for the year		(552,141)	(197,417)
Retained earnings at the end of the year		(918,804)	(366,663)

The notes on pages 9 to 15 form part of these financial statements.

TERRAFERTIL UK LIMITED
Registered number: 07968310

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

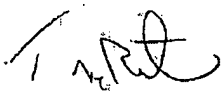
			As restated
	Note	2017 £	2016 £
Fixed assets:			
Intangible assets	4	-	13,402
Tangible assets	5	12,627	9,540
Current assets			
Stocks		1,209,814	1,195,878
Debtors: amounts falling due after more than one year	6	-	84,069
Debtors: amounts falling due within one year	6	1,415,301	859,955
		<u>2,625,115</u>	<u>2,139,902</u>
Creditors: amounts falling due within one year	7	(3,144,794)	(2,167,352)
Net current liabilities:		<u>(519,679)</u>	<u>(27,450)</u>
Total assets less current liabilities		<u>(507,052)</u>	<u>(4,508)</u>
Creditors: amounts falling due after more than one year	8	(188,196)	(138,599)
Net liabilities:		<u>(695,248)</u>	<u>(143,107)</u>
Capital and reserves			
Called up share capital	9	100	100
Share premium account		91,964	91,964
Capital contribution		-	131,492
Profit and loss account		(787,312)	(366,663)
		<u>(695,248)</u>	<u>(143,107)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
11 September 2018



David Bermeo
Director



Tom Benton
Director

The notes on pages 9 to 15 form part of these financial statements.

TERRAFERTIL UK LIMITED

STATEMENT OF CHANGES IN EQUITY For the Year Ended 31 December 2017

	Called up share capital £	Share premium account £	Capital contribution £	Profit and loss account £	Total equity £
At 1 January 2016	100	91,964	131,492	(169,246)	54,310
Comprehensive income for the year					
Loss for the year: as restated	-	-	-	(197,417)	(197,417)
At 1 January 2017: as restated	100	91,964	131,492	(366,663)	(143,107)
Comprehensive income for the year					
Loss for the year	-	-	-	(552,141)	(552,141)
Transfer of capital contribution	-	-	-	131,492	131,492
Transfer of capital contribution	-	-	(131,492)	-	(131,492)
At 31 December 2017	100	91,964	-	(787,312)	(695,248)

The notes on pages 9 to 15 form part of these financial statements.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2017

1. General information

The company is a private company (limited by shares) and its principal activity during the year continued to be the sale of fruit and vegetable products. The company's principal place of business and its registered office are located at Flat 6, 13 Dorset Street, London W1U 6QT, England, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

During the year ended 31 December 2017 the company incurred a loss of £552,141 (2016: £197,417) and had net current liabilities at that date of £519,679 (2016: £27,450).

The directors consider the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows; availability of ongoing financing facilities; ongoing commitment from its current parent undertaking and other mitigating actions that can be taken during that period.

Additional equity funding has been received from the company's current parent undertaking in the post 31 December 2017 period to date. The projected results for the twelve months from the date the financial statements are approved indicate that further such committed funding is required from its current parent undertaking to remain a going concern during that period.

The financial statements do not reflect any adjustments that would be necessary should the going concern basis not be appropriate.

2.3 Revenue

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

Sale of goods

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

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

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website development costs	-	3	years
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2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and retained earnings.

2.6 Stocks

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

2.7 Debtors

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

2.8 Cash and cash equivalents

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

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.9 Creditors

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

3. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Other operating lease rentals	41,616	41,616

4. Intangible assets

	Website Development Costs £
At 1 January 2017	14,620
Additions	(14,620)
At 31 December 2017	-
At 1 January 2017	1,218
On disposals	(1,218)
At 31 December 2017	-
Net book value	
At 31 December 2017	-
At 31 December 2016	13,402

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2017

5. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 January 2017	2,445	12,767	15,212
Additions	3,087	-	3,087
At 31 December 2017	5,532	12,767	18,299
Depreciation			
At 1 January 2017	1,497	4,175	5,672
At 31 December 2017	1,497	4,175	5,672
Net book value			
At 31 December 2017	4,035	8,592	12,627
At 31 December 2016	948	8,592	9,540

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2017

6. Debtors

	2017 £	2016 £
Due after more than one year		
Prepayments and accrued income	-	84,069
	<u>-</u>	<u>84,069</u>
Due within one year		
Trade debtors	1,079,586	727,456
Amounts owed by group undertakings	278,534	16,611
VAT	-	22,381
Corporation tax	14,012	10,561
Prepayments and accrued income	37,187	45,334
Director's loan account	5,982	19,182
Financial instruments	-	18,430
	<u>1,415,301</u>	<u>859,955</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans, overdrafts and other facilities	515,661	574,019
Other loans	573,999	203,267
Trade creditors	1,298,169	857,416
Related party loans	-	304,883
Amounts owed to group undertakings	525,385	176,954
Other taxation and social security	20,997	21,195
Accruals and deferred income	210,583	29,618
	<u>3,144,794</u>	<u>2,167,352</u>

The company's bank facilities are secured by a fixed and floating charge over the company's assets.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2017

8. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	188,196	121,936
Bank loans	-	16,663
	<u>188,196</u>	<u>138,599</u>

9. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 (2016 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

10. Prior year adjustment

The comparative amounts for the year ended 31 December 2016 have been restated to reflect an error in the stock valuation methodology during that year which has been subsequently identified. The impact of the restatement is to increase cost of sales in the year ended 31 December 2016 by £198,708 and to decrease the carrying value of stock at 31 December 2017 by an equivalent amount.

The restatement has had no impact on the previously stated amounts for the year ended 31 December 2015.

TERRAFERTIL UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2017

11. Related party transactions

Daniel Bermeo ("DB")

At 31 December 2017 DB, a director during the year, owed the company £5,982 (2016: £19,182).

The amount owed attracts no interest and has no fixed repayment date.

At 31 December 2016 DB was owed US\$225,000 by the company in respect of a loan which was repaid in full during the year ended 31 December 2017. The loan attracted interest at 10% per annum (however all interest accruing in the current year was waived).

Terrafertil S.A. ("TSA")

At 31 December 2017 TSA, a fellow group undertaking incorporated in Ecuador, had guaranteed all the company's other loans.

At 31 December 2017 the company owed TSA £226,481 (2016: £176,954) and purchased stock from TSA in the year then ended of £196,685 (2016: £561,400).

The amount owed attracts no interest and has no fixed repayment date.

Terrafertil Colombia S.A.S. ("TC")

At 31 December 2017 TC owed the company £263,475 whilst the company owed TC £298,904 and purchased stock from TC in the year then ended of £1,003,343 (2016: £1,297,552). At 31 December 2016 TC owed the company a net amount of £16,611.

At 31 December 2017 the amount owed by TC to the company attracts interest at 9% per annum, whereas the amounts owed by the company to TC attract no interest. All balances between TC and the company have no fixed repayment date.

Terrafertil Chile ("TCH")

At 31 December 2017 TCH owed the company £15,059 (2016: £Nil).

The amount owed attracts no interest and has no fixed repayment date.

Empaqplast S.A. ("EM")

At 31 December 2017 EM was owed US\$250,000 (2016: US\$150,000).

The loan attracted interest of US\$1,167 during the year ended 31 December 2017.

EM is owned by J Berg Bibliowicz, a shareholder of the company's ultimate parent undertaking at 31 December 2017.

12. Ultimate Parent Undertaking

Terra Holdings Group LLC ("THG"), a company incorporated in the USA, was the company's immediate and ultimate parent undertaking during the year.

THG has no controlling party and does not prepare consolidated financial statements.

THG's registered office is located at 202 North Carson Street, Carson City, Nevada 89701-4201.