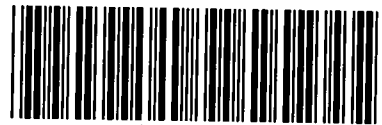


Vertical UK LLP

Members' Report and Financial Statements

, 31 December 2018

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COMPANIES HOUSE

Vertical UK LLP

Registered No. OC303782

Designated Members

Aldwych Temple Venture Capital Limited
Dynamo Business Ventures Limited

Registered Office

Third Floor
5 Lloyds Avenue
London EC3N 3AE

Designated members' report

The designated members present their report and financial statements for the year ended 31 December 2018.

Results and future developments

The Group's results for the year are set out on page 8 and the financial position at the period end is set out on page 9.

The Group's key financial and other performance indicators during the year were as follows:

	2018 US\$000s	2017 US\$000s	Change %
Group turnover	0	8	0%
Total operating (loss)/profit	(365)	(444)	18%
(Loss)/Profit after tax	(380)	(449)	14%
Total members' interests	0,731	1,123	-34.9%
Current assets as % of current liabilities	162%	206%	-44%

The ethanol business has completely stopped during the year ended 31 December 2013. After accounting for administration and finance charges the consolidated loss for the period ended 31 December 2018, after taxation, is US\$ -0,483 m (2017: US\$-0,45 m).

Principal activity and review of the business

The Limited Liability Partnership is an almost dormant company as of year-end.

Risks associated with the business

The Group has dissolved risk committee. The role of the committee has been taken by the COO of the group. His role is to evaluate the Group's risk appetite.

Credit risk

Credit risk is the risk that one party will cause a financial loss for that other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require credit insurance and/or Letters of Credit for all the customers.

Price risk

Price risk arises given the fact that the Group sources products on a "floating price" basis and sometimes makes sales on a "fixed price" basis. The Group policies are aimed at minimising such price risk through the use of hedging instruments such as derivatives and futures.

Designated members' report

Legislative risk

In UK and Europe, our products are subject to REACH compliance. Our products need to have the necessary quality requirement as per European standards. These standards are subject to continuous revision, and any new directive will have to be complied with, to ensure they do not have a material impact on the ability of the Group to source product from outside Europe.

Financial instruments

The Group uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments or cash receipts in a foreign currency.

Going concern

The members have determined that it is appropriate to adopt the going concern basis for the preparation of the financial statements. It is expected that the Group will retain sufficient cash reserves following the completion of the transaction to meet its ongoing obligations as and when they fall due.

Events since the balance sheet date

The company will be dissolved and member's capital reimbursed when all the pending legal cases have been closed. Some legal cases have been settled in 2017. It is the ultimate intention to liquidate however it is not known when it will be possible to do so and thus management still consider it their intention for the foreseeable future to trade as a going concern. Further to this having considered the ability of the entity to meet its debts as and when they become due management is satisfied the entity will be able to continue as such for the foreseeable future. The going concern basis is thus considered appropriate for purposes of preparing the financial statements for the year ended 31 December 2017.

Branches outside the United Kingdom

The partnership operates a branch office in Geneva, Switzerland.

Members

The designated members who held office during the period were as shown on page 1.

Designated members' report


Policy on members' drawings


The partnership does not permit members' drawings until the allocation of profit has been determined.

The partnership will take appropriate steps to procure the distribution to members of their allocation of profits, once determined, by reference to the ongoing cash requirements of the business and a target minimum distribution level as set out in the Members' Agreement.

Auditors

The company is now out of the scope of an audit


Aldwych Temple Venture Capital Limited;
By: Amicorp Management Limited, Director


Dynamo Business Venture Limited.
By: Amicorp Management Limited, Director

18th September 2019

Statement of designated members' responsibilities

The financial statements have been prepared for the purpose of providing each partner with sufficient information to show and explain the transactions of the Group for the year ended 31 December 2018, and to disclose its financial position as at 31 December 2018.

The designated members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), as described in Note 1. It is the members' responsibility to properly prepare, in all material respects, the state of affairs of the Group and of the profit or loss of the Group for the year in accordance with the applicable financial reporting framework as described in Note 1.

In preparing those financial statements, the designated members have elected to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The designated members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The designated members confirm that they have complied with the requirements; having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt going concern basis in preparing the accounts.

Group profit and loss account

at 31 December 2018

	Notes	2018 US\$000s	2017 US\$000s
Turnover	2	-	8
<i>Continuing operations</i>		-	-
<i>Discontinued operations</i>		-	-
Cost of sales		(86)	(6)
<i>Continuing operations</i>		-	-
<i>Discontinued operations</i>		(86)	(6)
Gross (loss)/profit		(86)	2
Administrative expenses		(274)	(442)
<i>Continuing operations</i>		-	-
<i>Discontinued operations</i>		(274)	(442)
Other operating income and expenses	3	(4)	(5)
<i>Continuing operations</i>		-	-
<i>Discontinued operations</i>		(4)	(5)
Operating (loss)/profit	4	(365)	(444)
<i>Continuing operations</i>		-	-
<i>Discontinued operations</i>		(365)	(444)
Exceptional items	18	-	-
(Loss)/Profit on ordinary activities before Interest		(365)	(444)
Interest receivable and similar income	7a	-	-
Interest payable and similar charges	7b	-	-
(Loss)/Profit on ordinary activities before taxation		(365)	(444)
Tax on profit on ordinary activities	8	(16)	(4)
(Loss)/Profit for the financial year before minority interest	13	(380)	(449)
Minority interest		(0)	(0)
(Loss)/Profit for the financial year before members' allocation		(380)	(449)
Members' allocation of profit		-	-
(Loss)/Profit for the financial year		(380)	(449)

Group profit and loss account

at 31 December 2018

Group statement of total recognised gains and losses For year ended 31 December 2018

	<i>Notes</i>	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
<i>(Loss)/Profit for the financial period</i>	12	(380)	(449)
Exchange difference on retranslation of net assets of subsidiary undertakings	12	92	116
<i>Total recognised gains and losses relating to the period</i>		(731)	(1,122)

Group balance sheet

at 31 December 2018

	Notes	2018 US\$000s	2017 US\$000s
<i>Fixed assets</i>			
Tangible assets	9	-	-
		-	-
<i>Current assets</i>			
Debtors	11	1,666	1,725
Cash at bank and in hand		239	444
Deposits		-	-
		1,905	2,169
<i>Creditors: amounts falling due within one year</i>	12	(1,174)	(1,051)
<i>Net current assets</i>		731	1,118
<i>Total assets less current liabilities</i>		731	1,123
<i>Members' other interests</i>			
Members' capital	13	18,358	18,358
Other reserves	13	(17,627)	(17,236)
Minority interest		-	-
<i>Total members' interests</i>		731	1,122

For the financial year in question the Limited Liability Partnership was entitled to exemption under section 477 of the companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

Approved by the members and authorised for issue on 18th September 2019 by:

Aldwych Temple Venture Capital Limited;
By: Amicorp Management Limited, Director

Dynamo Business Venture Limited.
By: Amicorp Management Limited, Director

LLP Balance sheet

at 31 December 2018

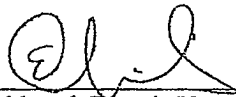
	Notes	2018 US\$000s	2017 US\$000s
<i>Fixed assets</i>			
Investments	10	<u>264</u>	<u>264</u>
		264	264
<i>Current assets</i>			
Debtors	11	1,336	1,329
Cash at bank and in hand		172	661
Deposits		-	-
		<u>1,508</u>	<u>1,990</u>
<i>Creditors: amounts falling due within one year</i>	12	<u>(1,002)</u>	<u>(740)</u>
<i>Net current assets</i>		<u>506</u>	<u>1,514</u>
<i>Total assets less current liabilities</i>		<u>770</u>	<u>1,514</u>
<i>Members' other interests</i>			
Members' capital	13	18,358	18,358
Other reserves	13	<u>(17,588)</u>	<u>(16,844)</u>
<i>Total members' interests</i>		<u>770</u>	<u>1,514</u>

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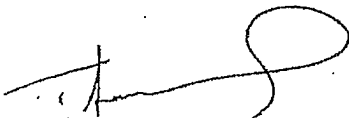
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These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

Approved by the members and authorised for issue on 18th September 2019 by:



Aldwych Temple Venture Capital Limited;
By: Amicorp Management Limited, Director



Dynamo Business Venture Limited.
By: Amicorp Management Limited, Director

Notes to the financial statements

at 31 December 2018

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention. The financial statements have been presented in US dollars which is the functional currency of the partnership.

The financial statements have been prepared for purpose of providing each partner with sufficient information to show and explain the transactions of the Group for period ended 31 December 2018, and to disclose its financial position as at 31 December 2018.

The comparative information included in the financial statements relate to the year ended 31 December 2017 for profit and loss items, and as at 31 December 2017 for balance sheet items

Vertical UK LLP has taken the advantage of the exemption under section 408 of Companies Act 2006 from presenting its unconsolidated profit and loss account. The net loss of the period is US\$ -0,48 m.

Going concern

The members have determined that it is appropriate to adopt the going concern basis for the preparation of the financial statements. It is expected that the Group will retain sufficient cash reserves to meet its ongoing obligations as and when they fall due.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently.

Basis of consolidation

The Group financial statements consolidate the financial statements of Vertical UK LLP and all its subsidiary undertakings drawn up to 31 December 2018.

Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the Group financial statements, associates are accounted for using the equity method.

Turnover

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods - Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer; this can occur on dispatch of the goods or on delivery to the customer.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Computer equipment	–	20% - 33%
Fixtures, fittings and equipment	–	20%
Motor vehicles	–	20%

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Derivative instruments

For a derivative contract for the purchase or sale of ethanol to be treated as a hedge, the instrument must involve a similar product as the hedged item and be deliverable into a comparable market. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the profit and loss account.

Specifically, where the Group has entered into contracts at year-end where physical delivery has not taken place, and the expectation is that unavoidable costs of meeting the obligations under the contract will exceed the economic benefits expected to be received under it, a provision is recorded for the total loss net of the market value of the hedging instrument at the year end.

The Group uses forward foreign currency contracts to reduce the risk of foreign currency exchange movements. Main currencies for which the Group enters into forward contracts are USD, EUR, CHF and BRL.

In addition to foreign exchange risk, the Group also manages the price risk on its trading positions. The price risk arises given the fact that the Group sources products on a "floating price" basis and sometimes makes sales on a "fixed price" basis. The Group policies are aimed at minimizing such price risk through the use of hedging instruments. The Group uses a combination of futures and swaps to manage its price risk.

Foreign exchange risk management policy

The Group has an established policy governing the management of its foreign exchange risk.

Given the geographic diversity of the Group's sales and the countries in which it operates, the earnings and operating costs of the Group are influenced by a wide variety of currencies. The reporting currency of the Group is USD, while a substantial part of the Group's revenues and costs are in EUR, BRL and CHF. The objective of the risk management policy is to ensure that all exposures related to its revenues and costs, in currencies other than the USD, are adequately hedged so as to protect margins and maximise shareholder return.

The Group's treasury function, under the direct supervision of the management, provides a centralised service to the Group for its funding and foreign exchange risk management.

Members' capital, remuneration and allocation of profits

Members' capital is accounted for within equity and is repayable only with the consent of all members.

The current members are corporate entities and do not receive remuneration in respect of services provided to the partnership.

Profits of the partnership are allocated between members on pre-determined basis as set out in the Members' Agreement and the allocation of profits is therefore shown as in the profit and loss account as a deduction from profits.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Leasing

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Investments

Fixed asset investments are stated at cost less provision for diminution in value. An impairment review is conducted on an annual basis.

Stock and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Goods for resale—purchase cost on a first-in, first-out basis
- Work in progress and finished goods—cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Foreign currencies

LLP

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account with the exception that exchange differences arising on the translation of the financial statements of the Geneva branch are taken to reserves using the closing rate method of translation.

Group

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Notes to the financial statements

at 31 December 2018

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date, in respect of transactions or events that have occurred at that date that will result in an obligation to pay more, or right to pay less, tax, with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Deferred tax assets are recognised only to the extent that the designated members consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover and segmental analysis

The total turnover of the Limited Liability Partnership for the year has been derived from its principal activity wholly undertaken outside the United Kingdom. In the opinion of the designated members, disclosure of turnover, profits and net assets by class of business or geographical origin or destination would be seriously prejudicial to the interests of the partnership.

3. Other operating income and expenses

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
Other operating income	-	-
Bank charges	(4)	(5)
	<u>(4)</u>	<u>(5)</u>

Notes to the financial statements

at 31 December 2018

4. Operating profit

This is stated after charging:

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
Depreciation of tangible fixed assets	-	-
Auditors' remuneration	-	-

Auditor's remuneration can be analysed as follows:

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
Auditors' remuneration - audit services – parent	-	-

5. Member and member costs

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
Average member profit before allocation	0	0

The average monthly number of members during the year was as follows:

	<i>2018</i> <i>No.</i>	<i>2017</i> <i>No.</i>
Number of members	2	2

Notes to the financial statements

at 31 December 2018

6. Staff costs

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
Wages and salaries	44	58
Social security costs	6	49
Other pension costs	0	19
	<u>50</u>	<u>127</u>

The average monthly number of employees during the period was as follows:

	<i>2018</i> <i>No</i>	<i>2017</i> <i>No.</i>
Traders	0	0
Administration	1	2
	<u>1</u>	<u>2</u>

7a. Interest receivable and similar income

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
Bank interest	<u>-</u>	<u>-</u>

7b. Interest payable and similar charges

	<i>2018</i> <i>US\$000s</i>	<i>2017</i> <i>US\$000s</i>
On bank loans and overdrafts	<u>0</u>	<u>5</u>

Notes to the financial statements

at 31 December 2018

8. Taxation

Tax on profit on ordinary activities

The tax charge is made up as follows:

	2018 US\$000s	2017 US\$000s
<i>Current tax:</i>		
UK corporation tax on profit for the period		
Overseas corporation tax on profit for the period	16	4
Total current tax	<u>16</u>	<u>4</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Total tax charge for year	<u>16</u>	<u>4</u>

The LLP is not taxed in its own right and any tax due is assessed on the members of the LLP. The Group is not subject to UK corporation tax as it has no taxable activities in the United Kingdom. The Group pays overseas corporation tax on the activities of its subsidiaries and branches, the principal jurisdictions being Switzerland, USA and Brazil. Accordingly no reconciliation of the tax on the profit for the period to the expected tax charge at the prevailing rate of UK corporation tax is presented.

Notes to the financial statements

at 31 December 2018

9. Fixed asset investments

LLP
2018

LLP

Cost:

At 1 January 2018

At 31 December 2018

Holdings of more than 20%

The limited liability partnership holds more than 20% of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held Class</i>	<i>%</i>
<i>Subsidiary undertakings</i>			
Vertical UK do Brasil	Brazil	Ordinary	99

Vertical UK do Brasil has limited activity. It is being used solely for the finalisation of outstanding legal disputes.

10. Debtors

	<i>Group 2018 US\$000s</i>	<i>Group 2017 US\$000s</i>	<i>LLP 2018 US\$000s</i>	<i>LLP 2017 US\$000s</i>
Trade debtors	1,282	1,282	1,282	1,282
Other debtors	55	50	55	50
Prepayments and accrued income	329	393	0	0
	<u>1,666</u>	<u>1,725</u>	<u>1,337</u>	<u>1,332</u>

Notes to the financial statements

at 31 December 2018

11. Creditors: amounts falling due within one year

	<i>Group</i> 2018 <i>US\$000s</i>	<i>Group</i> 2017 <i>US\$000s</i>	<i>LLP</i> 2018 <i>US\$000s</i>	<i>LLP</i> 2017 <i>US\$000s</i>
Other creditors	1,174	1051	1,002	846
Accruals and deferred income	-	-	-	-
	<u>1,174</u>	<u>1051</u>	<u>1,002</u>	<u>846</u>

12. Members' interests

Group	<i>Members'</i> <i>capital</i> <i>US\$000s</i>	<i>Other</i> <i>reserves</i> <i>US\$000s</i>	<i>Total</i> <i>US\$000s</i>
Members' interests at 1 January 2017	18,358	(16,903)	1,455
Loss for the financial year	-	(449)	(449)
Members drawings	-	-	-
Exchange difference on retranslation of net assets of subsidiary undertakings	-	116	116
Members' interests at 1 January 2018	<u>18,358</u>	<u>(17,236)</u>	<u>1,122</u>
Loss for the financial period	-	(483)	(483)
Members drawings	-	-	-
Exchange difference on retranslation of net assets of subsidiary undertakings	-	92	92
Members' interests at 31 December 2018	<u>18,358</u>	<u>(17,627)</u>	<u>731</u>

Notes to the financial statements

at 31 December 2018

12. Members' interests (continued)

LLP	<i>Members' capital US\$000s</i>	<i>Other reserves US\$000s</i>	<i>Total US\$000s</i>
Members' interests at 1 January 2017	18,358	(16,844)	1,514
Loss for the financial year		(316)	(316)
Members drawings		-	-
Exchange difference on retranslation of net assets of subsidiary undertakings		(1)	(1)
Members' interests at 1 January 2018	18,358	(17,161)	1,197
Loss for the financial period		(427)	(427)
Members drawings		-	-
Exchange difference on retranslation of net assets of subsidiary undertakings		-	-
Members' interests at 31 December 2017	18,358	(17,588)	770

Notes to the financial statements

at 31 December 2018

13. Commitments

The Group and LLP have no commitments as at 31 December 2018.

14. Related party transactions and controlling party

Controlling party

The partnership has no controlling party.

Related party transactions

	<i>Sales to related party US\$000s</i>	<i>Purchases from related party US\$000s</i>	<i>Amounts owed from related party US\$000s</i>	<i>Amounts owed to related party US\$000s</i>
<i>Related Party</i>				
Cosan S.A.	1,278	-	1,278	-

The above transactions occurred and have been disclosed with effect during 2018.

On 1 November 2011, Raizen UK LLP acquired the majority of the net assets of Vertical UK LLP. Cosan S.A. of Brazil, exerts either control or significant influence over Raizen UK LLP. The above transactions occurred and have been disclosed with effect during 2013. The purchases, amounts owed from and amounts owed to Raizen UK LLP and Cosan S.A. are included within cost of goods sold, trade debtors and trade creditors in the profit and loss account and notes 11 and 12 respectively.

The Group has taken advantage of the exemption in paragraph 3(c) of FRS 8 "Related Party Transactions" from disclosing transactions with other members of Raizen Group.

16. Contingent liabilities

As at 31 December 2018, Vertical UK do Brasil Exportação et Importação Ltda., a subsidiary of Vertical UK LLP incorporated in Brazil, has four open tax claims against it for underpaid direct and indirect taxes brought by Brazilian Tax Authorities. As Management is confident to win these tax claims no amounts have been recognised in the financial statements.