

004205 | 620

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

☒ What this form is for
You may use this form to
accompany your accounts
disclosed under parent law.

☐ What this form is for
You cannot use this form to
accompany an alteration of manner
with accounting requirements.

TUESDAY



A18 13/03/2018 #301
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of
overseas company ①

AMERICAN PEANUT COUNCIL INC

UK establishment
number

B R 0 1 2 8 1 4

→ Filling in this form

Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company**

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ②

U.S. GAAP and U.S. GAAS

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

③ Please insert the name of the
appropriate accounting organisation
or body.

Name of organisation
or body ③

U.S. FASB

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

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Statement of details of parent law and other information for an overseas company

A4 Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐

No. Go to Part 3 'Signature'.

☒

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

① Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ①

AICPA ACCOUNTING STANDARDS BOARD

A5 Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐

No.

☐

Yes.

Part 3 Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X *Laurie Lickens* X

This form may be signed by:

Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Address

Post town

County/Region

Postcode

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☒ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

**Financial Statements
Years Ended
September 30, 2017 and 2016**

**American Peanut Council, Inc.
– Export Division Fund**

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COMPANIES HOUSE

**Dalal &
Company**
Certified Public Accountants

American Peanut Council, Inc. – Export Division Fund

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**Dalal &
Company**
Certified Public Accountants
Report of Independent Auditors

Board of Directors
American Peanut Council, Inc. – Export Division Fund

We have audited the accompanying financial statements of the **American Peanut Council, Inc. – Export Division Fund** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As explained in Note 1, the financial statements being presented are only for the Export Division Fund and do not include the assets, liabilities and net assets and revenues and expenses of the American Peanut Council, Inc. that are recorded in its Domestic Division Fund. Accordingly, the accompanying financial statements are not intended to present the financial position of the American Peanut Council, Inc. as of September 30, 2017 and 2016, or its results of operations or cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **American Peanut Council, Inc. – Export Division Fund** as of September 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

1500 King Street, Suite 301, Alexandria, Virginia 22314-2730
703.548.1055 Fax: 703.548.2282

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of unrestricted revenues and expenses without FAS – actual and budget and general and administrative expenses – actual and budget for the year ended September 30, 2017 on pages 10 and 11 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the portion marked “unaudited”, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dalal & Company

Alexandria, Virginia
February 28, 2018

American Peanut Council, Inc. - Export Division Fund**Statements of Financial Position**

September 30,	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 838,075	\$ 431,495
Accounts receivable		
Dues	40,615	25,689
Other	360,630	597,681
Due from American Peanut Council, Inc. - Domestic Division Fund	-	155,723
Prepaid expenses	94,979	37,934
Total current assets	1,334,299	1,248,522
Property and equipment - net	40,364	28,908
	\$ 1,374,663	\$ 1,277,430
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 164,557	\$ 268,320
Due to American Peanut Council, Inc. - Domestic Division Fund	21,738	-
Deferred revenue	105,280	2,475
Total current liabilities	291,575	270,795
Net assets		
Unrestricted	1,083,088	1,006,635
Total net assets	1,083,088	1,006,635
	\$ 1,374,663	\$ 1,277,430

The accompanying notes are an integral part of these financial statements.

American Peanut Council, Inc. - Export Division Fund

Statements of Activities

Years Ended September 30,	2017	2016
Unrestricted		
Revenue		
Membership dues		
Shellers	\$ 232,331	\$ 157,019
Allied	60,225	46,230
National Peanut Board sponsorship	300,000	250,000
FAS contracts	3,077,204	3,053,699
Interest	436	590
International Peanut Forum	-	312,502
Loss on disposal of property	-	(41)
Other income	17,600	14,550
Total revenue	3,687,796	3,834,549
Expenses		
FAS contracts	3,077,204	3,053,699
Other program services		
International Peanut Forum	-	199,769
General and administrative	534,139	519,668
Total expenses	3,611,343	3,773,136
Change in net assets, unrestricted	76,453	61,413
Net assets, unrestricted - beginning of year	1,006,635	945,222
Net assets, unrestricted - end of year	\$ 1,083,088	\$ 1,006,635

.. The accompanying notes are an integral part of these financial statements.

American Peanut Council, Inc. - Export Division Fund**Statements of Cash Flows**

Years Ended September 30,	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 76,453	\$ 61,413
Adjustments to reconcile to net cash from operating activities:		
Depreciation	9,285	8,052
Bad debts	675	-
Loss on disposal of property	-	41
Change in:		
Accounts receivable	221,450	74,697
Due from American Peanut Council, Inc. - Domestic Division Fund	155,723	(155,723)
Prepaid expenses	(57,045)	73,968
Accounts payable	(103,763)	53,204
Due to American Peanut Council, Inc. - Domestic Division Fund	21,738	(176,017)
Deferred revenue	102,805	825
Net cash from operating activities	427,321	(59,540)
Cash flows from investing activities		
Purchase of property and equipment	(20,741)	(3,671)
Net change in cash and cash equivalents	406,580	(63,211)
Cash and cash equivalents - beginning of year	431,495	494,706
Cash and cash equivalents - end of year	\$ 838,075	\$ 431,495

The accompanying notes are an integral part of these financial statements.

American Peanut Council, Inc. - Export Division Fund

Notes to Financial Statements

September 30, 2017 and 2016

1. Organization and Nature of Activities

American Peanut Council, Inc. (Council) is a nonprofit organization that is exempt from federal tax under Section 501(c)(6) of the Internal Revenue Code. The Council's purpose is to serve members by encouraging, developing, and cooperating in research activities designed to improve production, quality, and marketing of peanuts. The Council is divided into two divisions, domestic and export. These financial statements relate only to **American Peanut Council, Inc. - Export Division Fund** (Fund). Financial information relating to American Peanut Council, Inc. – Domestic Division Fund is not included. Major sources of Fund revenue include federal government contracts, membership dues, contributions, and admission fees to Council sponsored events.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Fund have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The Fund classifies its resources for accounting and reporting purposes into three net asset categories according to the existence or absence of donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Fund had only unrestricted net assets at September 30, 2017 and 2016.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant estimates include accounts receivable and accounts payable estimates at year-end. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

The Fund considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable represents amounts due primarily for member dues and from government agencies for reimbursement of contract expenses incurred by the Fund. The Fund classifies all accounts receivable as current assets and provides an allowance for doubtful accounts based on a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved. Management has determined that all significant accounts receivable are collectible and, therefore, no valuation allowance has been established as of September 30, 2017 and 2016.

Revenue Recognition

Revenue is generated primarily through cost reimbursement programs by the federal government. Sheller and allied members pay annual dues and voluntary contributions, and the Fund receives a sponsorship from the National Peanut Board. Revenue received in advance for the subsequent year is recorded as deferred revenue.

Property and Equipment

Acquisitions of property and equipment are recorded at cost. Improvements and replacements of property and equipment are capitalized at cost. Depreciation expense is provided using the straight-line method over the estimated useful service lives of the respective assets as follows:

Office condominium and improvements	15 to 40 years
Software	5 years
Network and computer equipment	3 to 5 years
Furniture and equipment	3 to 10 years
Automobile	5 years

The Fund's policy is to capitalize assets acquired with a value in excess of \$1,000. Maintenance and repairs that do not extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss on the disposition is reflected in the statement of activities.

Membership Dues

Membership dues are recognized as revenue ratably over the applicable membership period. Dues received for future periods are classified as deferred revenue.

Sponsorship

The National Peanut Board (NPB) provides a sponsorship fee to the Fund for carrying out export related promotion on behalf of the NPB. The NPB fee was \$300,000 and \$250,000 for 2017 and 2016, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash, bank overnight repurchase agreement accounts, and accounts receivable.

The Fund maintains bank deposit accounts in a financial institution which, at times, may exceed the federally insured limit. The Council monitors the financial institution on a regular basis. The Fund has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk. Bank deposit accounts exceeded the federally insured limit by \$594,280 and \$106,067 at September 30, 2017 and 2016, respectively.

Income Taxes

The Council is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, as well as state income taxes, except for unrelated business income. The Fund had no unrelated business income during 2017 and 2016. The Council believes that it has appropriate support for any tax positions taken and, therefore, does not have any uncertain tax positions that are material to the financial statements.

Advertising Costs

The Fund expenses advertising costs as they are incurred. There were no advertising costs in 2017 and 2016.

Subsequent Events

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through February 28, 2018, the date the financial statements were available to be issued.

3. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at September 30:

	2017	2016
Cash	\$ 179,324	\$ 213,179
Money market account	658,751	218,316
	<u>\$ 838,075</u>	<u>\$ 431,495</u>

4. Property and Equipment

Property and equipment represents 50% ownership of the fixed assets of the Council at September 30, as follows:

	2017	2016
Office condominium	\$ 232,189	\$ 232,189
Improvements	25,050	25,050
Software	2,168	5,870
Network and computer equipment	6,282	8,377
Furniture and equipment	43,792	25,509
Automobile	17,895	17,895
	<u>327,376</u>	<u>314,890</u>
Less accumulated depreciation	<u>(287,012)</u>	<u>(285,982)</u>
	<u>\$ 40,364</u>	<u>\$ 28,908</u>

Depreciation expense was \$9,285 and \$8,052 for 2017 and 2016, respectively.

5. Contracts

The Fund participates in several promotional activities for the utilization of American peanuts. The Fund has entered into various agreements with the United States Department of Agriculture (USDA), Foreign Agricultural Service (FAS). Below is a summary of these programs.

Foreign Market Development Program (FMD). The FMD program is one whereby the FAS funds certain direct overseas trade servicing expenses and reimburses travel expenditures and administrative costs of a London office.

For the contract year ended September 30, 2017, the Fund received or filed for \$503,401 in reimbursements, which includes \$503,289 for 2017 FMD and \$112 for 2016 FMD.

For the contract year ended September 30, 2016, the Fund received or filed for \$636,735 in reimbursements, which was entirely for 2016 FMD.

Contracts with the USDA for FMD had budgeted ceilings of \$571,171 and \$653,370 for the fiscal years ending September 30, 2017 and 2016, respectively.

Market Access Program (MAP). MAP is a program wherein the FAS funds program expenditures to promote American peanuts and peanut products to offset losses resulting from trade barriers and export market restrictions.

During 2017 the Fund received or filed for \$2,573,803 in reimbursements, which includes \$1,374,102 for 2017 MAP and \$1,199,701 for 2016 MAP.

During 2016 the Fund received or filed for \$2,397,626 in reimbursements, which includes \$1,191,797 for 2016 MAP and \$1,205,829 for 2015 MAP.

The MAP program operates on a 12-month cycle beginning January 1 and ending December 31.

Contracts with the USDA for MAP had budgeted ceilings of \$2,494,102 and \$2,481,004 for the calendar years 2017 and 2016, respectively.

Emerging Markets Program (EMP). EMP is a program where the Commodity Credit Corporation of the USDA provides assistance to develop, maintain, and expand commercial export markets for U.S. agricultural products and commodities.

During 2017, two contracts with the USDA for EMP were approved for \$104,500 and \$50,000. The contracts run through December 31, 2018. There were no expenditures for EMP programs during the years ended September 30, 2017 and 2016.

General. The FMD, MAP, and EMP programs are subject to periodic audits. The Compliance, Security and Emergency Planning Division of the USDA Foreign Agricultural Service has completed its review of MAP, FMD and EMP program expenses through January 31, 2017.

FMD, MAP, and EMP expenses for the years ended September 30, 2017 and 2016 are subject to audit requirements under Office of Management and Budget Uniform Guidance.

6. Employee Benefit Plan

The Council sponsors a 401(k) plan for all employees. Contributions to the plan are discretionary and determined by the Board of Directors. For 2017 and 2016, the Council contributed to the plan up to 5% of each eligible employee's gross compensation. The Fund's share of employer contributions was \$16,035 and \$14,432 for 2017 and 2016, respectively.

7. Related Party Transactions

The Fund and American Peanut Council, Inc. – Domestic Division Fund share personnel, facilities, and equipment. Costs are allocated according to specific use. The Fund owed the Domestic Division Fund \$21,738 as of September 30, 2017. The Domestic Division Fund owed the Fund \$155,723 at September 30, 2016.

8. Other Income

Rental income is included in other income and represents 50% of the amount received under a month-to-month operating lease for the rental of office space and parking. The Fund's share of rental income was \$17,600 for 2017 and \$14,550 for 2016.

9. Operating lease

The Fund currently leases office space in the United Kingdom under a month-to-month lease. The total rent expense, which was reimbursed by FAS, was \$83,753 and \$77,803 for the years ended September 30, 2017 and 2016, respectively.

10. Operating Vulnerability

The Fund is heavily dependent upon government contracts for the administration of its export promotion programs. If government funds were curtailed it would be necessary to curtail or eliminate several of these programs. The expectation is that the U.S. government entities will continue funding many of the programs. The full re-authorization of the Farm Bill, which allows for the operation and management of the MAP and FMD programs amongst others, increases the likelihood of allocation of new monies to the Fund. Any extended delay in congressional appropriations could force the Fund to reduce its export promotion programs. In the event that the federal government should terminate the Farm Bill programs or otherwise terminate its relationship with the Fund, management believes sufficient funding exists from other sources to phase out the programs of the Fund in the short-term. The Fund is also heavily reliant upon the annual contributions from the National Peanut Board and U.S. peanut shellers.

American Peanut Council, Inc. - Export Division Fund

Schedule of Unrestricted Revenues and Expenses without FAS - Actual and Budget

Year Ended September 30, 2017

	Actual	Budget (Unaudited)
Revenue		
Membership dues		
Shellers	\$ 232,331	\$ 190,000
Allied	60,225	40,000
National Peanut Board sponsorship	300,000	300,000
Interest	436	150
Other income	17,600	14,550
Total revenue without FAS	610,592	544,700
Expenses		
General and administrative	534,139	544,700
Total expenses without FAS	534,139	544,700
Revenue in excess of expenses	\$ 76,453	\$ -

See report of independent auditors.

American Peanut Council, Inc. - Export Division Fund**Schedule of General and Administrative Expenses - Actual and Budget****Year Ended September 30, 2017**

	Actual	Budget (Unaudited)
Salaries	\$ 321,159	\$ 325,144
Employee benefits and employment taxes	63,642	68,079
Audit and accounting	6,175	6,825
Automobile expenses	1,063	4,000
Awards and trophies	178	200
Bad debts	675	-
Consultants	18,609	18,000
Depreciation	9,285	12,000
Donations	100	300
Dues and publications	5,935	6,900
Equipment rental, repairs and maintenance	12,624	9,585
Insurance	3,729	4,055
Legal	7,136	7,324
Office condominium	21,136	20,175
Office supplies	1,696	1,800
Outside services	4,942	5,460
Postage, delivery and freight	847	1,550
Printing	1,374	750
Professional development	3,248	2,500
Representation	2,220	4,100
Taxes	190	200
Telephone and fax	4,965	4,125
International travel	16,654	10,705
U.S. Travel	22,839	9,923
London office rent and administration	1,078	3,000
Codex Project	1,236	5,000
Harvest tours	-	10,000
Other	1,404	3,000
Total general and administrative expenses	\$ 534,139	\$ 544,700

See report of independent auditors.