

ANDERSONS INC
Form 10-K/A
July 27, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 10-K/A

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended: December 31, 2005

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file number: 000-20557

The Andersons, Inc.

(Exact name of registrant as specified in its charter)

Ohio

34-1562374

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

480 W. Dussel Drive, Maumee, Ohio

43537

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (419) 893-5050

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No

The aggregate market value of the registrant's voting stock which may be voted by persons other than affiliates of the registrant was \$218.8 million on June 30, 2005, computed by reference to the last sales price for such stock on that date as reported on the Nasdaq National Market.

The registrant had 7.6 million Common Shares outstanding, no par value, at February 28, 2006.

Explanatory Note:

We are filing this Amendment No. 1 on Form 10-K/A to The Andersons, Inc. (the Company) Annual Report on Form 10-K for the year ended December 31, 2005 to amend and restate in its entirety Part II, Item 9A, in response to comments received by the Company from the Commission's Staff pursuant to its review of the Company's Registration Statement on Form S-3 (Reg. No. 333-135480).

The following item is included in this amendment:

Part II Item 9A. Controls and Procedures

In addition, this amendment includes the following exhibits:

Exhibit 31.1 Certification of President and Chief Executive Officer under Rule 13(a)-14(a)/15d-14(a)

Exhibit 31.2 Certification of Vice President, Controller & CIO under Rule 13(a)-14(a)/15d-14(a)

Exhibit 31.3 Certification of Vice President, Finance and Treasurer under Rule 13(a)-14(a)/15d-14(a)

Exhibit 32 Certifications Pursuant to 18 U.S.C. Section 1350.

This Amendment No.1 on Form 10-K/A does not reflect events occurring after the filing of our Annual Report on Form 10-K on March 14, 2006 or include, or otherwise modify or update, the disclosure contained therein in any way except as expressly indicated above.

PART II

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to ensure that the information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Certifying Officers to allow timely decisions regarding required financial disclosures. The Company is not organized with one Chief Financial Officer. Our Vice President, Controller and CIO is responsible for all accounting and information technology decisions while our Vice President, Finance and Treasurer is responsible for all treasury functions and financing decisions. Each of them, along with the President and Chief Executive Officer (Certifying Officers), are responsible for evaluating our disclosure controls and procedures. As of December 31, 2005, the Company's management, under the supervision and with the participation of the Certifying Officers, performed an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Certifying Officers concluded that our disclosure controls and procedures were effective as of December 31, 2005.

Management's Report on Internal Control Over Financial Reporting

Management's Report on Internal Control Over Financial Reporting is included in Item 8 on page 49 of the Form 10-K filed on March 14, 2006. Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 on page 50 of the Form 10-K filed on March 14, 2006.

Changes in Internal Control Over Financial Reporting

As reported in the Company's 10Q/A for the quarter ended September 30, 2005, subsequent to filing the Quarterly Report on Form 10Q, management discovered an error in the cash flow statement relating to a single class of debt financing transactions in which proceeds were incorrectly classified as proceeds on the sale of railcars. The gain on sale of railcars and related leases was also overstated by the same amount. As a result of the discovery of these errors, the Company's financial statements for the quarter ended September 30, 2005 were restated. In connection with this restatement, management concluded that as of the quarterly reporting period ended September 30, 2005, the Company did not maintain effective controls over the preparation, review, presentation, and disclosure of the Company's condensed consolidated statement of cash flows. In addition, this control deficiency could have resulted in a misstatement of cash flows that could result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, management determined that this control deficiency constituted a material weakness.

In the fourth quarter of 2005, the Company implemented new controls and processes to remediate the material weakness identified above. The newly implemented controls and processes include:

The accumulation of data used in the preparation of the quarterly consolidated statement of cash flows is now being done on a monthly basis to allow for a more timely review as well as to allow for more time for issues and/or reconciling items to be investigated and/or corrected before financial data is published.

The existing control of requiring a second detailed and documented review within the Rail Group is now being done monthly.

The financial data provided by the Rail Group that is used directly in the financial statements is also being reviewed and analyzed independently outside of the Rail Group on a monthly basis. As part of this review, the information is validated and formally documented.

We completed our testing of the newly implemented controls and concluded that they were operating effectively and, therefore, conclude that this material weakness has been remediated.

These newly implemented controls and processes are changes in the Company's internal control over financial reporting that occurred during our most recently completed fiscal quarter and have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART IV

ITEM 15. EXHIBITS.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
31.1	Certification of President and Chief Executive Officer under Rule 13(a)-14(a)/15d-14(a)
31.2	Certification of Vice President, Controller & CIO under Rule 13(a)-14(a)/15d-14(a)
31.3	Certification of Vice President, Finance and Treasurer under Rule 13(a)-14(a)/15d-14(a)
32	Certifications Pursuant to 18 U.S.C. Section 1350

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Andersons, Inc.

By: /s/ Michael J. Anderson
Michael J. Anderson
President and Chief Executive Officer

Date: July 27, 2006