

Abbreviated Financial Statements

Agrihealth (NI) Limited

For the year ended 30 September 2015

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COMPANIES HOUSE

Registered number: NI17710

Abbreviated accounts

Company Information

Directors

Mr. R. H. Patton
Mr. S. M. Guinan
Mr. C. Maguire (appointed 1 October 2014)
Mr. M. J. McAllister (appointed 1 October 2014)
Mr. C. Cunningham (appointed 1 April 2015)

Company secretary

Mr. C. Maguire

Registered number

NI17710

Registered office

9 Silverwood Industrial Area
Silverwood Road
Lurgan
Craigavon
Co. Armagh

Independent auditors

Grant Thornton
Chartered Accountants & Registered Auditors
24 - 26 City Quay
Dublin 2

Bankers

Ulster Bank Limited
14/16 Market Street
Lurgan
Craigavon
Co. Armagh

Solicitors

Barry Healy & Co. Solicitors
Laurel Lodge
Hillside
Monaghan

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Directors' report

For the year ended 30 September 2015

The directors present their report and the financial statements for the year ended 30 September 2015.

Principal activities

The principal activity of the company during the year was the supply of veterinary services and products within Northern Ireland.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates and or inflation having an adverse impact on served markets.

The risk of unrealistic increases in wages or infrastructural cost impacting adversely on competitiveness of the company and its principal customers.

These are managed by innovative product sourcing and strict control of costs.

Competitor risk

The directors of the company manage competition through close attention to customer service levels and product innovation.

Financial risk

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Results and dividends

The profit for the year, after taxation, amounted to £64,404 (2014 - £93,136).

The directors and secretary and their interests in the shares of the parent company

The directors who served during the year and their interests in the company's issued share capital were:

	Ordinary shares of £1.30 each in the parent company		Non Voting Redemption Preference shares of £1 each in the parent company	
	30/9/15	1/10/14	30/9/15	1/10/14
Mr. R. H. Patton	102,804	102,804	822,000	822,000
Mr. S. M. Guinan	-	-	-	-
Mr. C. Maguire (appointed 1 October 2014)	-	-	-	-
Mr. M. J. McAllister (appointed 1 October 2014)	-	-	-	-
Mr. C. Cunningham (appointed 1 April 2015)	-	-	-	-

Directors' report

For the year ended 30 September 2015

Directors' responsibilities statement

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

Future developments

The company plans to continue its present activities.

Research and development activities

The company did not engage in any research or development during the year ended 30 September 2015.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Close company provisions

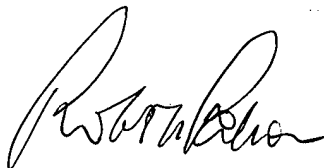
In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

Directors' report

For the year ended 30 September 2015

This report was approved by the board on 3 March 2016 and signed on its behalf.

Mr. R. H. Patton
Director



9 Silverwood Industrial Area
Silverwood Road
Lurgan
Craigavon
Co. Armagh

Independent auditors' report to Agrihealth (NI) Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the abbreviated Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes, together with the financial statements of Agrihealth (NI) Limited for the year ended 30 September 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts which comprise the abbreviated Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit 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.



Grant Thornton

Independent auditors' report to Agrihealth (NI) Limited

Under section 449 of the Companies Act 2006

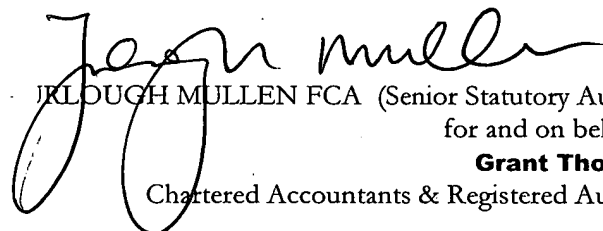
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.


J. LOUGH MULLEN FCA (Senior Statutory Auditor)
for and on behalf of
Grant Thornton
Chartered Accountants & Registered Auditors

24 - 26 City Quay
Dublin 2

3 March 2016

Abbreviated profit and loss account

For the year ended 30 September 2015

	Note	2015 £	2014 £
Turnover	1	14,212,955	14,916,736
Gross profit		3,030,833	2,827,372
Distribution costs		(171,490)	(107,913)
Administrative expenses		(2,769,083)	(2,603,042)
Operating profit	2	90,260	116,417
Interest receivable and similar income		2,690	9,476
Interest payable and similar charges	4	(9,895)	(14,446)
Profit on ordinary activities before taxation		83,055	111,447
Tax on profit on ordinary activities	5	(18,651)	(18,311)
Profit for the financial year	16	64,404	93,136

All amounts relate to continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

Statement of total recognised gains and losses

For the year ended 30 September 2015

	2015 £	2014 £
Profit for the financial year	64,404	93,136
Unrealised surplus on revaluation of tangible fixed assets	75,452	-
Total recognised gains and losses relating to the year	139,856	93,136

The notes on pages 10 to 20 form part of these financial statements.

Abbreviated balance sheet

As at 30 September 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Intangible assets	6		299,441		365,000
Tangible assets	7		1,849,717		1,833,535
Investments	8		260,195		260,195
			<u>2,409,353</u>		<u>2,458,730</u>
Current assets					
Stocks	9	3,143,950		2,899,179	
Debtors	10	2,926,919		3,798,267	
Cash at bank and in hand		760,630		522,894	
		<u>6,831,499</u>		<u>7,220,340</u>	
Creditors: amounts falling due within one year	11	<u>(7,064,302)</u>		<u>(7,493,564)</u>	
Net current liabilities			<u>(232,803)</u>		<u>(273,224)</u>
Total assets less current liabilities			<u>2,176,550</u>		<u>2,185,506</u>
Creditors: amounts falling due after more than one year	12		<u>(150,119)</u>		<u>(299,931)</u>
Provisions for liabilities					
Deferred tax	14		<u>(76,000)</u>		<u>(75,000)</u>
Net assets			<u><u>1,950,431</u></u>		<u><u>1,810,575</u></u>
Capital and reserves					
Called up share capital	15		2		2
Revaluation reserve	16		591,966		516,514
Profit and loss account	16		<u>1,358,463</u>		<u>1,294,059</u>
Shareholders' funds	17		<u><u>1,950,431</u></u>		<u><u>1,810,575</u></u>

Abbreviated balance sheet (continued)

As at 30 September 2015

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by:

Mr. R. H. Patton
Director



Date: 3 March 2016

The notes on pages 10 to 20 form part of these financial statements.

Notes to the abbreviated accounts

For the year ended 30 September 2015

1. Accounting policies

1.1 Basis of accounting

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover represents net sales to customers and excludes Value Added Tax. Turnover is recognised upon delivery of the goods and services to the customer.

1.4 Intangible fixed assets and amortisation

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life of 10 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation is provided at the following rates:

Goodwill	-	10% straight line
Trademarks	-	Over 10 years straight line

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	25% straight line
Equipment	-	10%/20% straight line

The Company's properties were revalued by Robert Wilson Estate Agency Group, Valuation Surveyors, in August 2015.

Notes to the abbreviated accounts

For the year ended 30 September 2015

1. Accounting policies (continued)

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on normal levels of cost and comprises the cost of purchase, ie. suppliers' invoice price with the addition of charges such as freight or duty where appropriate. Cost is calculated on an average cost basis for stock on hand.

Net realisable value comprises the actual or estimated selling price less all further costs to be incurred in marketing, selling and distribution.

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Notes to the abbreviated accounts

For the year ended 30 September 2015

1. Accounting policies (continued)

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2. Operating profit

The operating profit is stated after charging/(crediting):

	2015	2014
	£	£
Amortisation of goodwill	75,000	75,000
Depreciation of tangible fixed assets:		
- owned by the company	152,395	146,326
- held under finance leases	7,070	12,919
Auditors' remuneration	8,875	8,875
Foreign currency gains/losses	(12,578)	(17,831)
Profit on disposal of fixed assets	(2,552)	6,456

During the year, no director received any emoluments (2014 - £NIL).

Notes to the abbreviated accounts

For the year ended 30 September 2015

3. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,119,454	877,063
Social security costs	121,096	94,032
Other pension costs	85,660	78,038
	<u>1,326,210</u>	<u>1,049,133</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Number of administrative and distribution staff	<u>42</u>	<u>39</u>

4. Interest payable

	2015 £	2014 £
On bank loans and overdrafts	9,895	13,763
Finance charges	-	683
	<u>9,895</u>	<u>14,446</u>

5. Taxation

	2015 £	2014 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	18,390	5,730
Adjustments in respect of prior periods	(739)	(16,669)
Total current tax	<u>17,651</u>	<u>(10,939)</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	1,000	29,250
Tax on profit on ordinary activities	<u>18,651</u>	<u>18,311</u>

Notes to the abbreviated accounts

For the year ended 30 September 2015

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	83,055	111,447
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	16,611	22,289
Effects of:		
Expenses not deductible for tax purposes	78	411
Adjustments to tax charge in respect of prior periods	(739)	(16,669)
Timing differences between capital allowances and depreciation	1,701	(16,970)
Current tax charge/(credit) for the year (see note above)	17,651	(10,939)

6. Intangible fixed assets

	Trademarks £	Goodwill £	Total £
Cost			
At 1 October 2014	-	750,000	750,000
Additions	9,441	-	9,441
At 30 September 2015	9,441	750,000	759,441
Amortisation			
At 1 October 2014	-	385,000	385,000
Charge for the year	-	75,000	75,000
At 30 September 2015	-	460,000	460,000
Net book value			
At 30 September 2015	9,441	290,000	299,441
At 30 September 2014	-	365,000	365,000

The directors have considered the carrying value of the goodwill. The directors do not consider the goodwill to be impaired at the balance sheet date.

Notes to the abbreviated accounts

For the year ended 30 September 2015

7. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 October 2014	1,288,237	69,222	77,666	1,238,808	2,673,933
Additions	-	6,711	-	99,332	106,043
Disposals	-	-	(39,635)	-	(39,635)
Revaluation surplus/(deficit)	(38,237)	-	-	-	(38,237)
At 30 September 2015	1,250,000	75,933	38,031	1,338,140	2,702,104
Depreciation					
At 1 October 2014	90,924	57,302	62,308	629,864	840,398
Charge for the year	22,765	2,161	9,510	125,029	159,465
On disposals	-	-	(33,787)	-	(33,787)
On revalued assets	(113,689)	-	-	-	(113,689)
At 30 September 2015	-	59,463	38,031	754,893	852,387
Net book value					
At 30 September 2015	1,250,000	16,470	-	583,247	1,849,717
At 30 September 2014	1,197,313	11,920	15,358	608,944	1,833,535

Hire purchase agreements

Included within the net book value of £1,849,717 is £Nil (2014 - £12,919) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £7,070 (2014 - £12,919).

Tangible fixed assets

The company's property was revalued by Robert Wilson Estate Agency Group, Valuation Surveyors, in August 2015. The company's Land and Buildings were valued at £1,250,000 on an open market value basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Cost	808,968	808,968
Accumulated depreciation	(125,747)	(109,568)
Net book value	683,221	699,400

Notes to the abbreviated accounts

For the year ended 30 September 2015

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2014 and 30 September 2015	260,195
Net book value	
At 30 September 2015	260,195
At 30 September 2014	260,195

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Vetigal Limited	Ordinary	100%
Eddie Palin Distribution Limited	Ordinary	100%

Name	Business	Registered office
Vetigal Limited	Dormant	31 Milltown Road, Donaghcloney, Craigavan, BT66 7NE
Eddie Palin Distribution Limited	Dormant	30 Shepherds Court, Newport, Shropshire, TF10 7XW

9. Stocks

	2015 £	2014 £
Stock	3,143,950	2,899,179

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Notes to the abbreviated accounts

For the year ended 30 September 2015

10. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	2,847,490	3,744,531
Amounts owed by group undertakings	2,723	1,225
Prepayments and accrued income	76,706	52,511
	<u>2,926,919</u>	<u>3,798,267</u>

All amounts are due within one year.

11. Creditors:

Amounts falling due within one year

	2015 £	2014 £
Bank loans and overdrafts	155,657	1,183,362
Trade creditors	1,760,767	1,637,840
Amounts owed to group undertakings	4,792,878	4,315,819
Corporation tax	18,390	5,730
Other taxation and social security (see below)	229,501	213,866
Accruals and deferred income	107,109	136,947
	<u>7,064,302</u>	<u>7,493,564</u>

Other taxation and social security

	2015 £	2014 £
PAYE/PRSI	28,708	23,480
VAT control	200,793	190,386
	<u>229,501</u>	<u>213,866</u>

Bank loans and overdrafts of £155,657 (2014: £1,183,362) as disclosed above are secured by the company. Security has been detailed in Note 14 below.

Notes to the abbreviated accounts

For the year ended 30 September 2015

12. Creditors:

Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	150,119	299,931

Included in the creditors is a loan from Ulster Bank. This loan is secured by the following:

1. A mortgage debenture from the company providing a first legal charge over the company premises in Clones Road, Monaghan and Lurgan, Co. Armagh.
2. A cross group guarantee in the sum of €2,300,000 from the parent company Agrihealth Limited supported by a mortgage debenture providing fixed and floating charges over all the property, assets and undertaking of the Guarantor to include (but not limited to) a first fixed charge over commercial premises at Clones Road, Monaghan and Silverwood, Lurgan, Co Armagh.
3. An unlimited intercompany guarantee from Silke Pharmaceuticals Limited.
4. An unlimited intercompany guarantee from Jilford Enterprises Limited.

13. Pension commitments

The company operates a defined contribution pension scheme for all employees. The assets of the scheme are held separately to the assets of the company. Contributions to the scheme are charged to the Profit and Loss Account as they become payable. The charge for the period is shown in note 5 of the financial statements and at the period end the company had an accrual in respect of this scheme amounting to £8,626 (2014: £7,778).

Notes to the abbreviated accounts

For the year ended 30 September 2015

14. Deferred taxation

	2015 £	2014 £
At beginning of year	75,000	45,750
Charge for year (P&L)	1,000	29,250
At end of year	<u>76,000</u>	<u>75,000</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Provision deferred tax; Capital allowances and finance lease payments	<u>76,000</u>	<u>75,000</u>

15. Share capital

	2015 £	2014 £
Authorised		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

16. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 October 2014	516,514	1,294,059
Profit for the financial year	-	64,404
Surplus on revaluation of freehold property	75,452	-
At 30 September 2015	<u>591,966</u>	<u>1,358,463</u>

Notes to the abbreviated accounts

For the year ended 30 September 2015

17. Reconciliation of movement in shareholders' funds

	2015	2014
	£	£
Opening shareholders' funds	1,810,575	1,717,439
Profit for the financial year	64,404	93,136
Other recognised gains and losses during the year	75,452	-
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,950,431</u>	<u>1,810,575</u>

18. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Agrihealth Limited. As part of the Agrihealth Group, it shares administration and other facilities with members of the Group.