



Grant Thornton

Financial Statements

Agrihealth (NI) Limited

For the year ended 30 September 2017

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COMPANIES HOUSE

Registered number: NI017710

Agrihealth (NI) Limited

Company Information

Directors

Mr. R. H. Patton
Mr. S. Guinan
Mr. C. Maguire
Mr. M. J. McAllister
Mr. C. Cunningham

Company secretary

Mr. C. Maguire

Registered number

NI017710

Registered office

9 Silverwood Industrial Area
Silverwood Road
Lurgan
Craigavon
Co. Armagh
United Kingdom

Independent auditors

Grant Thornton
Chartered Accountants & Statutory Auditors
Molyneux House
Bride Street
Dublin 8
Ireland

Bankers

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

Solicitors

Barry Healy & Co. Solicitors
Laurel Lodge
Hillside
Monaghan
Ireland

Agrihealth (NI) Limited

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Strategic report

For the year ended 30 September 2017

Business review

The directors are satisfied with the performance of the company during the current year as it experienced sales growth across its product range. The strengthening of existing customer relationships and competitive product pricing were vital factors in the realisation of increased gross and operating profits.

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.

Financial key performance indicators

The company considers the following measures to be important indicators of the underlying performance of the business:

The turnover for the year amounted to £16,626,488 (2016: £14,325,399).

The gross profit for the year amounted to £3,285,784 (2016: £3,087,481).

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

.....
Mr. R. H. Patton

Director

Date:

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Agrihealth (NI) Limited

Directors' report

For the year ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Results and dividends

The profit for the year, after taxation, amounted to £120,995 (2016 - £49,362).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

Mr. R. H. Patton
Mr. S. Guinan
Mr. C. Maguire
Mr. M. J. McAllister
Mr. C. Cunningham

Future developments

The company plans to continue its present activities.

Important events since the year end

There have been no significant events affecting the company since the year end.

Disclosure of information to auditors

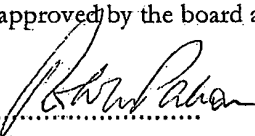
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

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


.....
Mr. R. H. Patton
Director

Date: 12 Jan 2018

Directors' responsibilities statement

For the year ended 30 September 2017

The directors are responsible for preparing the Strategic report, 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.

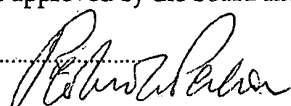
In preparing these financial statements, the directors are required to:

- 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

This statement was approved by the board and signed on its behalf.

.....
Mr. R. H. Patton
Director



Date:

12 Apr 2018



Independent auditors' report to the members of Agrihealth (NI) Limited

Opinion

We have audited the financial statements of Agrihealth (NI) Limited, which comprise the the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 30 September 2017, and the related notes to the financial statements, 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, Agrihealth (NI) Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the company as at 30 September 2017 and of its financial performance for the year then ended; 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) and applicable law. Our responsibilities under those standards are further described in the responsibilities of the auditor 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, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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.



Independent auditors' report to the members of Agrihealth (NI) Limited (continued)

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.



Independent auditors' report to the members of Agrihealth (NI) Limited (continued)

Other information

Other information comprises the information included in the annual report, other than the financial statements and our Auditors' report thereon, including the Directors' report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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.

Responsibilities of management and those charged with governance for the financial statements

In preparing the financial statements, management is 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.



Independent auditors' report to the members of Agrihealth (NI) Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



Independent auditors' report to the members of Agrihealth (NI) Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read "Cathal Kelly".

Cathal Kelly (Senior statutory auditor)

for and on behalf of

Grant Thornton

Chartered Accountants
Statutory Auditors

Dublin 8

Date: 12 April 2015

Agrihealth (NI) Limited

Statement of comprehensive income

For the year ended 30 September 2017

	Note	2017 £	2016 £
Turnover	4	16,626,488	14,325,399
Cost of sales		(13,340,704)	(11,237,918)
Gross profit		3,285,784	3,087,481
Distribution costs		(180,034)	(173,434)
Administrative expenses		(2,999,983)	(2,859,959)
Other operating income	5	12,500	12,500
Operating profit	6	118,267	66,588
Interest receivable and similar income	8	282	2,005
Interest payable and expenses	9	(349)	(6,132)
Profit before tax on ordinary activities		118,200	62,461
Tax credit/(charge) on profit on ordinary activities	10	2,795	(13,099)
Profit for the year		120,995	49,362

All amounts relate to continuing operations.

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 12 to 28 form part of these financial statements.

Agrihealth (NI) Limited

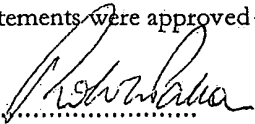
Registered number: NI017710

Statement of financial position

As at 30 September 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	11		179,855		237,851
Tangible assets	12		1,660,617		1,721,592
Investments	13		1,001		1,001
			<u>1,841,473</u>		<u>1,960,444</u>
Current assets					
Stocks	14	3,380,528		2,985,536	
Debtors: amounts falling due within one year	15	3,850,061		2,985,549	
Cash at bank and in hand	16	952,032		1,203,674	
		<u>8,182,621</u>		<u>7,174,759</u>	
Creditors: amounts falling due within one year	17	(3,067,245)		(2,299,349)	
Net current assets			<u>5,115,376</u>		<u>4,875,410</u>
Total assets less current liabilities			<u>6,956,849</u>		<u>6,835,854</u>
Provisions for liabilities					
Deferred tax	18	(62,000)		(62,000)	
			<u>(62,000)</u>		<u>(62,000)</u>
Net assets			<u><u>6,894,849</u></u>		<u><u>6,773,854</u></u>
Capital and reserves					
Called up share capital	19		2		2
Revaluation reserve	20		591,966		591,966
Capital contribution reserve	20		4,774,061		4,774,061
Profit and loss account	20		1,528,820		1,407,825
			<u><u>6,894,849</u></u>		<u><u>6,773,854</u></u>

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

.....

Mr. R. H. Patton
 Director

Date: 12 Apr 2018

The notes on pages 12 to 28 form part of these financial statements.

Statement of changes in equity

For the year ended 30 September 2017

	Called up share capital	Capital contribution reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2016	2	4,774,061	591,966	1,407,825	6,773,854
Profit for the year	-	-	-	120,995	120,995
At 30 September 2017	2	4,774,061	591,966	1,528,820	6,894,849

Statement of changes in equity

For the year ended 30 September 2016

	Called up share capital	Capital contribution reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2015	2	-	591,966	1,358,463	1,950,431
Profit for the year	-	-	-	49,362	49,362
Capital contribution received	-	4,774,061	-	-	4,774,061
At 30 September 2016	2	4,774,061	591,966	1,407,825	6,773,854

The notes on pages 12 to 28 form part of these financial statements.

Notes to the financial statements

For the year ended 30 September 2017

1. General information

Agrihealth (NI) Limited is a private company limited by shares which is registered and incorporated in Northern Ireland. The company's registered office is 9 Silverwood Industrial Area, Silverwood Road, Lurgan, Craigavon, Co Armagh, BT66 6LN. The principal activity of the company during the year was the distribution of veterinary medical supplies.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Agri Health Limited as at 30 September 2017 and these financial statements may be obtained from the parent company's registered office at Clones Road, Monaghan.

Notes to the financial statements

For the year ended 30 September 2017

2. Accounting policies (continued)

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.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other 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.

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.

Notes to the financial statements

For the year ended 30 September 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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:

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

2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the financial statements

For the year ended 30 September 2017

2. Accounting policies (continued)

2.9 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, i.e. 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.

2.10 Debtors

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

2.11 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.

Notes to the financial statements

For the year ended 30 September 2017

2. Accounting policies (continued)

2.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.13 Creditors

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

Notes to the financial statements

For the year ended 30 September 2017

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.15 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Notes to the financial statements

For the year ended 30 September 2017

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.19 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements

For the year ended 30 September 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utilisation of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utilisation of certain property, plant and equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Impairment of trade and other receivables

The company reviews its trade and other receivables to assess whether impairment should be recorded in the Statement of comprehensive income. In particular management is required to estimate the amount and timing of future cash flows in order to determine the amount of impairment required. Such estimates are based on assumptions about a number of factors and therefore actual impairment losses may differ.

Distinguishing operating and finance leases

The company has entered into a number of lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

4. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Net rents receivable	12,500	12,500
	<u>12,500</u>	<u>12,500</u>

Agrihealth (NI) Limited

Notes to the financial statements

For the year ended 30 September 2017

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	134,691	144,384
Amortisation of goodwill	57,996	58,000
Impairment of intangible assets	-	3,590
Fees payable to the company's auditor for the audit of the company's annual financial statements	13,077	8,875
Exchange (gains)/losses	(3,923)	74,271
Operating lease rentals	28,087	19,826
Profit on disposal of fixed assets	-	(7,500)

7. Employees

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,213,922	1,101,698
Social security costs	119,470	115,154
Cost of defined contribution scheme	89,169	91,901
	<u>1,422,561</u>	<u>1,308,753</u>

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

	2017	2016
	No.	No.
Number of administrative and distribution staff	<u>47</u>	<u>41</u>

During the year, no director received any emoluments (2016 - £NIL).

8. Interest receivable

	2017	2016
	£	£
Other interest receivable	282	2,005
	<u>282</u>	<u>2,005</u>

Notes to the financial statements

For the year ended 30 September 2017

9. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	349	6,132
	<u>349</u>	<u>6,132</u>

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	32,219	29,025
Adjustments in respect of previous periods	(35,014)	(1,926)
	<u>(2,795)</u>	<u>27,099</u>
Deferred tax		
Reversal of timing differences	-	(14,000)
	<u>(2,795)</u>	<u>13,099</u>
Taxation on (loss)/profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>118,200</u>	<u>62,461</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	23,049	12,492
Effects of:		
Expenses not deductible for tax purposes	458	(1,116)
Capital allowances for year in excess of depreciation	11,997	17,648
Adjustments to tax charge in respect of prior periods	(35,014)	(1,925)
Losses carried forward from prior periods	(3,285)	-
Deferred tax	-	(14,000)
Total tax charge for the year	<u>(2,795)</u>	<u>13,099</u>

Notes to the financial statements

For the year ended 30 September 2017

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Intangible assets

	Trademarks £	Goodwill £	Total £
Cost			
At 1 October 2016	9,441	750,000	759,441
At 30 September 2017	9,441	750,000	759,441
Amortisation			
At 1 October 2016	3,590	518,000	521,590
Charge for the year	-	57,996	57,996
At 30 September 2017	3,590	575,996	579,586
Net book value			
At 30 September 2017	5,851	174,004	179,855
At 30 September 2016	5,851	232,000	237,851

The directors have considered the carrying value of the goodwill. The directors do not consider the goodwill or trademarks to be impaired at the statement of financial position date.

Notes to the financial statements

For the year ended 30 September 2017

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 October 2016	1,250,000	75,933	9,750	1,354,399	2,690,082
Additions	-	6,150	-	67,566	73,716
At 30 September 2017	1,250,000	82,083	9,750	1,421,965	2,763,798
Depreciation					
At 1 October 2016	22,000	61,624	9,750	875,116	968,490
Charge for the year	21,560	2,776	-	110,355	134,691
At 30 September 2017	43,560	64,400	9,750	985,471	1,103,181
Net book value					
At 30 September 2017	1,206,440	17,683	-	436,494	1,660,617
At 30 September 2016	1,228,000	14,309	-	479,283	1,721,592

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:

	2017 £	2016 £
Cost	808,968	808,968
Accumulated depreciation	(158,105)	(141,926)
Net book value	650,863	667,042

Agrihealth (NI) Limited

Notes to the financial statements

For the year ended 30 September 2017

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2016	1,001
At 30 September 2017	1,001
Net book value	
At 30 September 2017	1,001
At 30 September 2016	1,001

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Vetigal Limited	Ordinary	100 %	Dormant
Eddie Palin Distribution Limited	Ordinary	100 %	Dormant
Name	Registered office		
Vetigal Limited	9 Silverwood Industrial Area, Silverwood Road, Lurgan, Co. Armagh BT66 6LN		
Eddie Palin Distribution Limited	30 Shepherds Court, Newport, Shropshire TF10 7XW		

The aggregate of the share capital and reserves as at 30 September 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Vetigal Limited	1
Eddie Palin Distribution Limited	1,000
	1,001

Agrihealth (NI) Limited

Notes to the financial statements

For the year ended 30 September 2017

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	3,380,528	2,985,536
	<u>3,380,528</u>	<u>2,985,536</u>

In the opinion of the directors there are no material differences between the replacement cost of stock and the Statement of financial position.

Stock recognised in cost of sales during the year as an expense was £13,316,950 (2016: £11,221,721).

15. Debtors

	2017 £	2016 £
Trade debtors	3,583,905	2,912,841
Amounts owed by group undertakings	6,499	4,799
Prepayments and accrued income	259,657	67,909
	<u>3,850,061</u>	<u>2,985,549</u>

An impairment loss of £2,828 (2016: £7,062) was recognised against trade debtors. Trade debtors are shown

net of an impairment losses provision of £50,241 (2016: £48,370).

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	952,032	1,203,674
Bank overdrafts	-	(2,278)
	<u>952,032</u>	<u>1,201,396</u>

Agrihealth (NI) Limited

Notes to the financial statements

For the year ended 30 September 2017

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	2,278
Bank loans	-	150,664
Trade creditors	2,226,905	1,718,412
Amounts owed to group undertakings	467,594	1,001
Corporation tax	32,219	29,025
Other taxation and social security	224,428	311,282
Accruals and deferred income	116,099	86,687
	<u>3,067,245</u>	<u>2,299,349</u>

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and are repayable on demand.

18. Deferred taxation

	2017 £
At beginning of year	62,000
Charged to profit or loss	-
At end of year	<u><u>62,000</u></u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	<u>62,000</u>
	<u><u>62,000</u></u>

Agrihealth (NI) Limited

Notes to the financial statements

For the year ended 30 September 2017

19. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

20. Reserves

Revaluation reserve

Includes all cumulative revaluation gains and offset losses.

Capital contribution reserve

The capital contribution reserve comprises an unconditional capital contribution from the company's parent undertaking.

Profit and loss account

Includes all cumulative retained profits and losses.

21. Contingent liabilities

There is a contingent liability in respect of all monies cross guarantees given by the company for all the companies within the Agrihealth Limited Group.

22. 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 Statement of comprehensive income as they become payable. The charge for the period is shown in note 7 of the financial

statements and at the year end the company had an accrual in respect of this scheme amounting to £7,950 (2016: £7,914).

Notes to the financial statements

For the year ended 30 September 2017

23. Commitments under operating leases

At 30 September 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	38,566	19,680
Later than 1 year and not later than 5 years	50,501	9,676
	<u>89,067</u>	<u>29,356</u>

24. Related party transactions

The company has availed of the exemptions in FRS102 Section 33, Paragraph 33.1A which allows non disclosure of transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

25. Controlling party

The company is a wholly owned subsidiary of Agri Health Limited, a company incorporated in Ireland and with its registered offices at Clones Road, Monaghan. As part of the Agri Health Limited Group, it shares offices, administration and other facilities with members of the Group.

The results are consolidated into the results of Agri Health Limited, the smallest and largest group company to prepare consolidated accounts.