

**Origin Enterprises UK Limited**

**Annual Report**

**Financial year ended 31 July 2018**

**Registered Number: NI 054947**

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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

S. Coyle  
P. Dunne  
S. Evans  
R. Hughes  
T. O'Mahony  
J. Rennie

**Secretary**

Origin Secretarial Limited

**Registered Office**

Unit 4A McLean Road  
Campsie Real Estate  
Londonderry  
BT47 3PF

**Registered Number:** NI054947

**Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

## STRATEGIC REPORT

### Principal activity, business review and future developments

The company's principal activity is that of a holding company within the Origin Enterprises plc group.

In the prior year, the company completed the acquisition of 100 per cent of the Resterra Group. Resterra is a digital agricultural services group based in the United Kingdom that provides an important enhancement to the Origin Groups growing digital technology capabilities with a particular emphasis on expanding the Origin Group's data driven group management solutions framework for the benefit of existing and potential new customers and agronomists.

The directors are satisfied with the state of affairs of the company and do not anticipate any changes to its principal activity in the foreseeable future.

### Principal risks and uncertainties

The Board and senior management have assessed that the principal risk facing the company relates to compliance with company and tax legislation. The company mitigates this risk by closely monitoring emerging changes to regulations or legislation on an ongoing basis.

On behalf of the board of directors



P. Dunne  
Director

Date: 17/12/18

## DIRECTORS REPORT

The directors present their report and audited financial statements for the financial year ended 31 July 2018.

### Results for the year

The statement of income and retained earnings and the balance sheet are set out on pages 8 and 9 respectively. The loss for the financial year amounted to Stg£6,195,028 (2017: profit of Stg£14,197,324). Shareholders' funds as at 31 July 2018 amounted to a deficit of Stg£6,288,848 (2017: deficit of Stg£93,820).

### Dividends

No dividends were paid during the year (2017: Stg£Nil).

### Directors and Secretary

The directors and secretary who served during the year and subsequent to year end were as follows:

#### *Directors*

S. Coyle (appointed 1 October 2018)

P. Dunne (appointed 28 February 2018)

S. Evans

R. Hughes

I. Hurley (resigned on 28 February 2018)

T. O'Mahony

J. Rennie (appointed 20 February 2018)

#### *Secretary*

Origin Secretarial Limited

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and 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), including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and the Republic of Ireland*' ('FRS 102'). 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;
- state whether applicable UK Accounting Standards, including FRS 102, 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, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

### Post balance sheet events

There have been no significant events since the year end which would require disclosure in the financial statements.

### Political Donations

The company did not make any political donations for the year.

**DIRECTORS REPORT- continued**

**Disclosure of information to auditors**

The directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers, continue in office in accordance with Section 487 of the Companies Act 2006.

**On behalf of the board of directors**



**P. Dunne**  
**Director**

**Date:** 17/12/18



## ***Independent auditors' report to the members of Origin Enterprises UK Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Origin Enterprises UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 July 2018; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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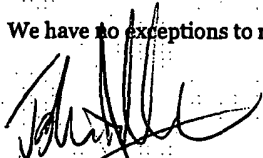
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

  
John Dillon (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
Dublin, Ireland  
18 December 2018

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**Year ended 31 July 2018**

	Note	2018 Stg£	2017 Stg£
Administrative expenses		(1,686,902)	(662,953)
Other operating income	5	<u>90,782</u>	<u>10,732</u>
<b>Operating loss before exceptional items</b>	6	<b>(1,596,120)</b>	<b>(652,221)</b>
Exceptional items	7	<u>(306,563)</u>	<u>(219,656)</u>
<b>Operating loss after exceptional items</b>		<b>(1,902,683)</b>	<b>(871,877)</b>
Income from shares in group undertakings	8	<u>3,250,000</u>	<u>22,125,000</u>
<b>Profit before interest and taxation</b>		<b>1,347,317</b>	<b>21,253,123</b>
Interest payable and similar expenses	9	<u>(7,542,945)</u>	<u>(7,059,013)</u>
Interest receivable and similar income	10	<u>600</u>	<u>3,214</u>
<b>(Loss)/profit before taxation</b>		<b>(6,195,028)</b>	<b>14,197,324</b>
Tax on (loss)/profit	11	<u>-</u>	<u>-</u>
<b>(Loss)/profit for the financial year</b>		<b>(6,195,028)</b>	<b>14,197,324</b>
Retained loss at beginning of the year		<u>(93,822)</u>	<u>(14,291,146)</u>
<b>Retained loss at 31 July</b>		<b><u>(6,288,850)</u></b>	<b><u>(93,822)</u></b>

**BALANCE SHEET**  
As at 31 July 2018

	Note	2018 Stg£	2017 Stg£
<b>Fixed assets</b>			
Financial assets	12	<u>87,124,958</u>	<u>87,199,958</u>
<b>Current assets</b>			
Debtors	13	<u>119,746,574</u>	<u>113,360,797</u>
Cash at bank and in hand		<u>22,925,616</u>	<u>11,622,085</u>
		<u>142,672,190</u>	<u>124,982,882</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(236,085,996)</u>	<u>(212,276,660)</u>
<b>Net current liabilities</b>		<u>(93,413,806)</u>	<u>(87,293,778)</u>
<b>Net liabilities</b>		<u>(6,288,848)</u>	<u>(93,820)</u>
<b>Capital and reserves</b>			
Called up share capital	15	<u>2</u>	<u>2</u>
Retained earnings		<u>(6,288,850)</u>	<u>(93,822)</u>
<b>Total equity</b>		<u>(6,288,848)</u>	<u>(93,820)</u>

The financial statements on pages 8 to 19 were approved by the board of directors on 17/12/18 and were signed on its behalf by:



P. Dunne  
Director

Date: 17/12/18

Origin Enterprises UK Limited  
Registered Number: NI054947

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

The company's principal activity is that of a holding company within the Origin Enterprises plc group.

Origin Enterprises UK Limited is incorporated as a company limited by shares. The address of its registered office is Unit 4A McLean Road, Campsie Real Estate, Londonderry, Northern Ireland.

The company is a wholly owned subsidiary of Origin Enterprises Luxembourg SARL and of its ultimate parent, Origin Enterprises plc. It is included in the consolidated financial statements of Origin Enterprises plc which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

The smallest and largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Origin Enterprises plc. Copies of the Origin Enterprises plc group financial statements may be obtained from 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland.

These financial statements are the company's separate financial statements for the year ended 31 July 2018.

### 2 Statement of compliance

The individual financial statements of Origin Enterprises UK Limited have been prepared in compliance with United Kingdom Account Standards, including the Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* ('FRS 102') and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

The financial statements are prepared on a going concern basis, under the historic cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period.

#### (b) Foreign currency

The financial statements are presented in sterling (Stg£), the functional currency of the company. Transactions during the year denominated in foreign currencies have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are included under "other operating income" in the statement of income and retained earnings on page 8.

#### (c) Taxation

Taxation expense for the financial year comprises current and deferred tax recognised in the financial year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies – continued

#### (c) Taxation - continued

##### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

##### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### (d) Investments

##### (i) Investment in subsidiary companies

Investment in subsidiary companies are held at historical cost less accumulated impairment losses.

##### (ii) Investment in associates

Investment in associates are held at historical cost less accumulated impairment losses.

#### (e) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### (g) Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies – continued

#### (g) Financial instruments - continued

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### (iii) Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies – continued

#### (h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (i) Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking, Origin Enterprises plc has undertaken to provide support to the company.

#### (j) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

#### (k) Exceptional items

Exceptional items include acquisition related costs and impairments of assets. Judgement is used in assessing the particular items which are disclosed as exceptional items taking into consideration their scale and nature.

#### (l) Exemptions for qualifying entities under FRS 102

The company has elected to avail of a number of disclosure requirement exemptions available to qualifying entities as set out under FRS 102 paragraph 1.12(c) on the following basis:

- The company meets the definition of a 'Qualifying Entity' under FRS 102.
- Its ultimate parent company, Origin Enterprises plc, prepares group consolidated financial statements that include disclosures equivalent to those required by FRS 102. Note 18 gives further details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.
- The company otherwise applies the recognition, measurement and disclosure requirements of FRS 102.

In accordance with FRS 102 the company has availed of the following disclosure exemptions:

- The requirement of FRS 102 paragraph 4.12(a)(iv) to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period;
- The requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows; and
- The requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

NOTES TO THE FINANCIAL STATEMENTS - continued

<b>4 Statutory information</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
(a) Directors' remuneration		
Emoluments	<u>579,172</u>	<u>501,293</u>
Benefits under long-term incentive schemes	<u>-</u>	<u>-</u>
Contributions to retirement benefit schemes:		
- Defined benefit	<u>18,477</u>	<u>17,733</u>

Retirement benefits are accruing to 1 director (2017: 1 director) under a defined benefit scheme.

The emoluments, excluding pension contributions, of the highest paid director were £579,172 (2017: £501,293).

The company had 1 employee (including executive director) in the current year (2017: 1).

(b) The profit on before taxation is stated after charging:	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Auditors' remuneration	<u>2,646</u>	<u>2,667</u>

**5 Other operating Income**

Other operating income in the current year represents foreign exchange gains arising on the revaluation of intercompany trading balances.

**6 Employees**

Staff costs comprise of:	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Wages and salaries	315,937	250,458
Social security costs	84,767	50,628
Other pension costs	<u>22,697</u>	<u>22,697</u>
<b>Staff costs</b>	<u><b>423,401</b></u>	<u><b>323,783</b></u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>7 Exceptional items</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Impairment of investment (a)	-	95,114
Transaction related costs (b)	<u>306,563</u>	<u>124,542</u>
	<u>306,563</u>	<u>219,656</u>
(a) An impairment charge was recorded during the prior year in relation to the investment held in Alexander's Partners Limited.		
(b) Transaction related costs were incurred in relation to the investment made in Resterra Limited during the year.		
<b>8 Income from shares in group undertakings</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Dividends received from subsidiary companies and associates (note 12)	<u>3,250,000</u>	<u>22,125,000</u>
<b>9 Interest payable and similar expenses</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Interest payable to fellow group companies	7,026,523	7,026,523
Bank overdraft interest payable	<u>516,422</u>	<u>32,490</u>
	<u>7,542,945</u>	<u>7,059,013</u>
<b>10 Interest receivable and similar income</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Interest on short term deposits	<u>600</u>	<u>3,214</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 11 Income tax

2018	2017
Stg£	Stg£

(a) Tax expense included in statement of income and retained earnings

UK corporation tax on (loss)/profit for the financial year

(b) Reconciliation of tax charge

Tax assessed for the financial year differs from the standard rate of corporation tax in the United Kingdom for the year ended 31 July 2018 of 19% (2017: 19.67%). The differences are explained below:

	2018 Stg£	2017 Stg£
(Loss)/profit before taxation	(6,195,028)	14,197,324
(Loss)/profit before taxation multiplied by the standard rate of tax in the UK of 19% (2017: 19.67%)	(1,177,055)	2,792,011
Effects of:		
Group relief surrendered for nil payment	1,072,103	896,240
Expenses not deductible for tax purposes	628,247	633,170
Non-taxable dividend income	(617,500)	(4,351,048)
Transfer pricing adjustments	94,205	29,627
Tax charge for the year	-	-

## 12 Financial assets

2018
Stg£

## Investment in subsidiaries and associate undertakings

## Cost and carrying amount

At 1 August 2017

87,199,958

Repayments during the year

(75,000)

At 31 July 2018

87,124,958

In the opinion of the directors, the value of the investment is not less than the book value shown above.

Analysed as:

2018	2017
Stg£	Stg£

## Subsidiaries

Origin UK Operations Limited

44,546,948 44,546,948

Rigby Taylor Limited

8,753,265 8,753,265

R&amp;H Hall Trading Limited

5,576,550 5,576,550

Hall Silos Limited

2,233,549 2,233,549

Alexander's Partners Limited

540,500 540,500

Resterra Limited

11,854,113 11,854,113

## Associates

BHH Limited

12,804,008 12,804,008

West Twin Investments Limited

400,000 475,000

North West Silos Limited

379,456 379,456

James Allen &amp; Co (Belfast) Limited

36,569 36,569

At 31 July

87,124,958 87,199,958

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 12 Financial assets - continued

Dividend income:	2018 Stg£	2017 Stg£
Origin UK Operations Limited	-	20,000,000
BHH Limited	2,200,000	2,025,822
R&H Hall Trading Limited	1,050,000	-
Thompsons Limited	-	99,178
	<b>3,250,000</b>	<b>22,125,000</b>

Details of undertakings in which the company holds more than 20% of any class of share capital are given below:

Name of company	Holding	Proportion held	Principal activity	Registered office
Alexanders Partners Limited	5,000 ordinary shares of Stg£1 each and 25,000 preference shares of Stg£1 each	100%	Not trading	1
BHH Limited	10,000 'B' ordinary shares of Stg£1 each	50%	Investment holding company	2
Origin UK Operations Limited	550,002 ordinary shares of Stg£1 each	100%	Fertiliser production and merchenting	1
North West Silos Limited	490,001 'A' ordinary shares of Stg£1 each	50%	Feed processing	2
James Allen & Co (Belfast) Limited	4,500 ordinary shares of Stg£1 each	50%	Dormant	2
Rigby Taylor Limited	1,218,598 ordinary shares of 10 pence each	100%	Turf management services	1
R&H Hall Trading Limited	2,000,000 ordinary shares of Stg£1 each	100%	Grain and feed trading	2
Hall Silos Limited	2 ordinary shares of Stg£1 each	100%	Grain handling	2
West Twin Investments Limited	1 "B" ordinary shares of Stg£1 each	50%	Silo operation	1
Resterra Limited	4,750 "A" ordinary shares of Stg£0.01 each, 3,990 "B" ordinary shares of Stg£0.01 each, 6,270 "C" ordinary shares of Stg£0.01 each, 3,990 "D" ordinary shares of Stg£0.01 each and 1,000 "E" ordinary shares of Stg£0.01 each	100%	Digital agricultural services	1

(1) Registered in England and Wales

(2) Registered in Northern Ireland

## NOTES TO THE FINANCIAL STATEMENTS - continued

<b>13 Debtors</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Amounts owed from parent company (i)	<b>72,433,143</b>	63,174,333
Amounts owed from group undertakings	<b>47,313,431</b>	50,186,464
	<b><u>119,746,574</u></b>	<b><u>113,360,797</u></b>

(i) Amounts owed from parent company are unsecured, interest free and repayable on demand.

<b>14 Creditors: amounts falling due within one year</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Amounts owed to parent company (a)	<b>375,386</b>	79,760
Amounts owed to group undertakings (b)	<b>235,512,557</b>	211,962,931
Accruals and deferred income	<b>198,053</b>	233,969
	<b><u>236,085,996</u></b>	<b><u>212,276,660</u></b>

(a) Amounts owed to the parent company are unsecured, interest free and repayable on demand.

(b) Amounts owed to group undertakings are analysed as follows:

	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Interest free loans (c)	<b>114,115,980</b>	89,890,727
Interest bearing loans (d)	<b>121,396,577</b>	122,072,204
	<b><u>235,512,557</u></b>	<b><u>211,962,931</u></b>

(c) Interest free loans owed to group undertakings are unsecured, interest free and repayable on demand.

(d) Interest bearing loans owed to group undertakings are analysed as follows:

<b>Group</b>	<b>Maturity</b>	<b>Rate</b>	<b>Currency</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
Origin International Enterprises B.V.	03/02/2017	6.00%	GBP	<b>22,502,797</b>	10,161,095
Origin International Enterprises B.V.	01/12/2017	6.00%	GBP	<b>36,169,361</b>	22,630,938
Origin International Enterprises B.V.	04/02/2018	6.00%	GBP	<b>7,282,328</b>	36,375,326
Origin International Enterprises B.V.	18/08/2020	4.60%	GBP	<b>10,079,397</b>	7,323,796
Origin International Enterprises B.V.	11/11/2020	5.75%	GBP	<b>10,099,247</b>	10,123,506
Origin International Enterprises B.V.	12/07/2021	6.00%	GBP	<b>25,159,885</b>	10,154,383
Origin International Enterprises B.V.	31/01/2017	6.00%	GBP	<b>10,103,562</b>	25,303,160
				<b><u>121,396,577</u></b>	<b><u>10,161,095</u></b>
					<b><u>122,072,204</u></b>

<b>15 Called up share capital</b>	<b>2018 Stg£</b>	<b>2017 Stg£</b>
<b>Authorised</b>		
10,000,000 (2017: 10,000,000) ordinary shares of Stg£1 each	<b><u>10,000,000</u></b>	<b><u>10,000,000</u></b>
<b>Allotted and fully paid</b>		
2 (2017: 2) ordinary shares of Stg£1 each	<b><u>2</u></b>	<b><u>2</u></b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

**NOTES TO THE FINANCIAL STATEMENTS - continued**

**16 Capital and reserves**

A description of each reserve within equity is shown below:

**Retained earnings**

Retained earnings represents accumulated comprehensive income for the financial year and prior financial years, less dividends paid.

**17 Contingent liabilities**

The company has given guarantees and cross guarantees for the bank facilities available to the Origin Enterprises plc group of companies.

**18 Related party transactions**

The company has taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing intra-group transactions as it is a wholly-owned subsidiary of its parent undertaking Origin Enterprises plc, whose financial statements are publicly available.

**19 Approval of financial statements**

The financial statements were approved by the board of directors on

17/12/18