

R & H Hall Trading Limited

Directors' Report and Financial Statements

Year ended 31 July 2016

Registered number: NI059022



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DIRECTORS AND OTHER INFORMATION

Board of Directors

I. Hurley
W. Larkin
T. O'Mahony

Secretary

Origin Secretarial Limited

Registered Office

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

Registered number: NI059022

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
One Spencer Dock
North Wall Quay
Dublin 1

STRATEGIC REPORT

The directors present their strategic report on the Company for the year ended 31 July 2016.

Principal activity and business review (including principal risks and uncertainties and future developments)

The company's principal activity is that of grain and feed ingredient trading.

The directors are satisfied with the performance of the company and expect that the company will continue to grow and maintain current profitability levels.

The directors consider the principal risks and uncertainties the company faces to be:

- volatility in commodity markets;
- spontaneous combustion and/or fire; and
- significant facility and/or mechanical breakdown.

The directors believe that these risks are effectively managed through adequate insurance cover, emergency reaction plan, on site security and ongoing inspection and maintenance of plant and equipment.

Key performance indicators that are focused on by management include:

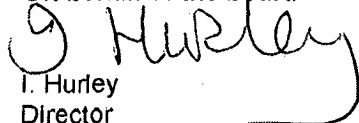
- sales volumes;
- margin per tonne;
- overheads;
- working capital balances;
- days sales outstanding; and
- discharge and storage tonnes.

Each of these indicators are monitored by management against budget and against prior periods.

Financial risk management

The principal financial risk arises from the purchase of product in foreign currencies. This risk is managed by entering into foreign currency contracts with financial institutions, which will be used to pay for the product on delivery.

On behalf of the board


I. Hurley
Director

DIRECTORS REPORT

The directors present their report and audited financial statements for the year ended 31 July 2016.

Results for the year

The profit and loss account and the balance sheet are set out on pages 9 and 10 respectively. Profit for the financial year amounted to £798,475 (2015: profit of £2,084,488). Shareholders' funds as at 31 July 2016 amounted to £9,271,446 (2015: £12,600,971).

Dividends

Dividends totalling £3,950,000 were paid during the year to fellow group company Origin Enterprises UK Limited. There was no transfer to reserves recommended by the directors (2015: None).

Directors

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

Directors

I. Hurley
W. Larkin
T. O'Mahony

Secretary

Origin Secretarial Limited

Political Donations

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

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Unit 4A McLean Road, Campsie Real Estate, Londonderry, BT47 3PF and at 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland.

Statement of directors' responsibilities

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 judgements 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;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- 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.

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.

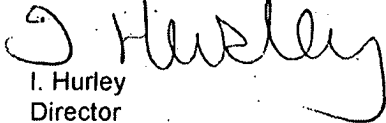
Post balance sheet events

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

Independent Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

On behalf of the board


I. Hurley
Director

Date: 19 December 2016



Independent auditors' report to the members of R&H Hall Trading Limited

Report on the financial statements

Our opinion

In our opinion, R&H Hall Trading Limited financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.
-

What we have audited

The financial statements comprise:

- the balance sheet as at 31 July 2016;
- the profit and loss account for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity as at 31 July 2016; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent auditors' report to the members of R&H Hall Trading Limited - continued

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.



Independent auditors' report to the members of R&H Hall Trading Limited - continued

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in dark ink, appearing to read 'John Dillon', written over the printed name.

**John Dillon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
1 Spencer Dock
North Wall Quay
Dublin 1
Ireland**

Date 22/12/16

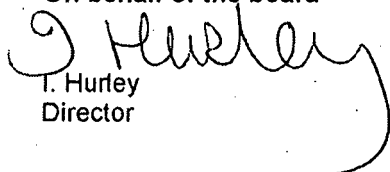
PROFIT AND LOSS ACCOUNT
Year ended 31 July 2016

	Notes	2016 £	2015 £
Turnover		75,282,034	84,294,355
Cost of sales		<u>(72,180,722)</u>	<u>(80,069,833)</u>
Gross profit		3,101,312	4,224,522
Administration expenses		<u>(1,760,657)</u>	<u>(1,553,546)</u>
Operating profit		1,340,655	2,670,976
Interest payable and similar charges	5	<u>(58,113)</u>	<u>(29,741)</u>
Profit on ordinary activities before taxation		1,282,542	2,641,235
Tax on profit on ordinary activities	7	<u>(484,067)</u>	<u>(556,747)</u>
Profit on ordinary activities after taxation		<u>798,475</u>	<u>2,084,488</u>

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 July 2016

	2016 £	2015 £
Profit for the financial year	798,475	2,084,488
Actuarial loss relating to pension schemes recharged from fellow group company	<u>(178,000)</u>	<u>(149,000)</u>
Total comprehensive income for the financial year	<u>620,475</u>	<u>1,935,488</u>

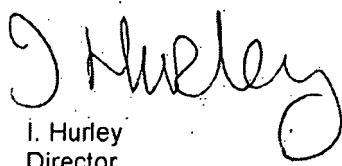
On behalf of the board


I. Hurley
Director

BALANCE SHEET
As at 31 July 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	8	55,029	61,611
Intangible assets	9	2,024,733	-
		<u>2,079,762</u>	<u>61,611</u>
Current assets			
Stocks	10	2,318,881	959,105
Debtors	11	18,930,054	21,890,311
Cash at bank and on hand		54,489	19,195
		<u>21,303,424</u>	<u>22,868,611</u>
Creditors - amounts falling due within one year	12	<u>(14,020,589)</u>	<u>(10,350,107)</u>
Net current assets		<u>7,282,835</u>	<u>12,518,504</u>
Total assets less current liabilities		9,362,597	12,580,115
Deferred tax (liability)/asset	13	<u>(91,151)</u>	<u>20,856</u>
Net assets		<u>9,271,446</u>	<u>12,600,971</u>
Capital and reserves			
Called up share capital	15	2,000,000	2,000,000
Profit and loss account		<u>7,271,446</u>	<u>10,600,971</u>
Total equity		<u>9,271,446</u>	<u>12,600,971</u>

The financial statements on pages 9 to 25 were approved by the board on 19 December 2016 and were signed on its behalf by:


I. Hurley
Director

R&H Hall Trading Limited
Registered number: NI059022

STATEMENT OF CHANGES IN EQUITY
As at 31 July 2016

	Share capital	Profit and loss	Total
	£	£	£
2016			
At 1 August 2015	2,000,000	10,600,971	12,600,971
Profit for the year	-	798,475	798,475
Actuarial loss relating to pension schemes recharged from fellow group company	-	(178,000)	(178,000)
Total comprehensive income for the year	-	620,475	620,475
Dividends paid	-	(3,950,000)	(3,950,000)
At 31 July 2016	<u>2,000,000</u>	<u>7,271,446</u>	<u>9,271,446</u>

	Share capital	Profit and loss	Total
	£	£	£
2015			
At 1 August 2014	2,000,000	8,665,483	10,665,483
Profit for the year	-	2,084,488	2,084,488
Actuarial loss relating to pension schemes recharged from fellow group company	-	(149,000)	(149,000)
Total comprehensive income for the year	2,000,000	1,935,488	3,935,488
Dividends paid	-	-	-
At 31 July 2015	<u>2,000,000</u>	<u>10,600,971</u>	<u>12,600,971</u>

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The company's principal activity is that of grain and feed ingredient trading.

2. Statement of compliance

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. The company has adopted FRS 102 in these financial statements. There were no comparative figures that required changing as a result of the current year adoption of FRS102.

3. Summary of significant accounting policies

The following accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The entity financial statements have been prepared under the historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss.

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.

The company is a wholly owned subsidiary of Origin Enterprises UK Limited 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.

These financial statements are the company's separate financial statements.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Depreciation is calculated on a straight line basis over the estimated useful working lives of the relevant tangible assets as follows:

Plant and machinery 20 years

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significant different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued

3. Summary of significant accounting policies- continued

Foreign currencies

The financial statements are expressed in sterling (£).

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 dealt with in the profit and loss account.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. 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.

Turnover

Turnover is the amount of revenue derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value-added tax. Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes but before deduction of settlement discounts.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

NOTES TO THE FINANCIAL STATEMENTS - continued

3. Summary of significant accounting policies- continued

Inventories

Stocks are measured at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, packaging and pallets where applicable.

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its net realisable value and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

Pension

The Company operates a defined benefit pension scheme which is now closed to future accrual.

For the Company's defined benefit scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax to the extent that it is deemed to be recoverable.

The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees and earned during the period plus the cost of any benefit improvements granted to members during the period.

The expected return on the pension scheme's assets during the period and the increase in the scheme's liabilities due to the unwinding of the discount during the period are shown as financing costs in the profit and loss account. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities due to changes in assumptions or because actual experience during the period was different to that assumed, are recognized as actuarial gains and losses in the statement of comprehensive income.

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.

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, intercompany 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 year 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.

If there is a 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3. Summary of significant accounting policies- continued

Financial instruments- continued

Other financial assets, including investments in equity instruments which are subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently measured 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, intercompany 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. Trade creditors 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3. Summary of significant accounting policies- continued

Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

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.

Use of judgements in applying the Company's accounting policies

The preparation of financial statements in conformity with FRS 102 requires the use of significant judgements, estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results may differ from these estimates. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, relate primarily to accounting for deferred income tax, inventory impairments and provision for receivables.

Deferred income tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. Significant judgement is used when assessing both the extent to which deferred tax assets should be recognised and the amount to be recognised, with consideration given to the timing and level of future taxable income in the relevant tax jurisdiction.

Inventory Impairments

It is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of the inventory.

Provision for receivables

Management reviews the recoverability of receivables taking into account objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

Transition to FRS 102

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 17 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 has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions availed of by the company in these financial statements.
- The company otherwise applies the recognition, measurement and disclosure requirements of FRS 102.

NOTES TO THE FINANCIAL STATEMENTS - continued

3. Summary of significant accounting policies- continued

Transition to FRS 102- continued

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;
- The financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102 providing the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- The requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

4 Statutory information	2016 £	2015 £
(a) The profit on ordinary activities before taxation is stated after charging:		
Depreciation	<u>21,829</u>	<u>25,890</u>
Auditors remuneration		
Remuneration for the statutory audit and other audit services carried out by the company's auditors is as follows:		
Audit of individual financial statements	<u>3,353</u>	<u>2,310</u>
(b) Directors' remuneration		
Emoluments	<u>67,000</u>	<u>90,000</u>
Benefits under long-term incentive schemes	<u>-</u>	<u>121,000</u>
Contributions to retirement benefit schemes:		
- defined contribution	<u>13,000</u>	<u>11,000</u>

Retirement benefits are accruing to 2 directors (2015: 2 directors) under a defined contribution scheme and 1 director (2015: 1 director) under the hybrid scheme.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Interest payable and similar charges	2016 £	2015 £
Interest on borrowings wholly repayable within 5 years, otherwise than by instalments	<u>58,113</u>	<u>29,741</u>

6 Staff costs

The average number of persons employed by the company during the year was 8 (2015: 8), all of whom were employed in management and administration.

	2016 £	2015 £
The staff costs comprise:		
Wages and salaries	593,943	557,379
Social welfare costs	<u>55,397</u>	<u>52,542</u>
	<u>649,340</u>	<u>609,921</u>

7 Tax on profit on ordinary activities	2016 £	2015 £
(a) Tax on profit on ordinary activities		
<i>Current tax:</i>		
Corporation tax at an effective tax rate of 20.00% (2015: 20.67%)	<u>372,060</u>	<u>563,832</u>
<i>Deferred tax:</i>		
Reversal of timing differences	109,921	(9,704)
Adjustment in respect of prior periods	-	2,619
Effect of tax rate change on opening balance	<u>2,086</u>	-
Total deferred tax charge/(credit)	<u>112,007</u>	<u>(7,085)</u>
Tax on profit on ordinary activities	<u>484,067</u>	<u>556,747</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Tax on profit on ordinary activities - continued

- (b) Reconciliation of profit on ordinary activities before tax at the standard rate to the actual charge at the effective rate.

The tax charge for the year is different to the tax charge that would result from applying the standard rate of corporation tax in the United Kingdom to profit on ordinary activities before tax. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,282,542</u>	<u>2,641,235</u>
Profit on ordinary activities before tax multiplied by the standard rate of tax 20% (2015: 20.67%)	256,508	545,831
<i>Effects of:</i>		
Expenses not deductible for tax purposes	824,906	541,871
Group relief claimed	(587,219)	(524,490)
Adjust closing deferred tax to average rate of 20.00%	(10,128)	323
Adjustment to tax charge in respect of previous periods – deferred tax	-	2,619
Other permanent differences	-	(9,407)
	<u>484,067</u>	<u>556,747</u>

8 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 August 2015	262,530
Additions during the year	<u>15,247</u>
At 31 July 2016	<u>277,777</u>
Depreciation	
At 1 August 2015	200,919
Charged in year	<u>21,829</u>
At 31 July 2016	<u>222,748</u>
Net book amounts	
At 31 July 2016	<u>55,029</u>
At 31 July 2015	<u>61,611</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Intangible fixed assets

	Computer software £
Cost	
At 1 August 2015	-
Additions during the year	2,024,733
At 31 July 2016	2,024,733
Amortisation	
At 1 August 2015	-
Charged in year	-
At 31 July 2016	-
Cost or valuation	
At 31 July 2016	2,024,733
At 31 July 2015	-

Computer software consists of the development of a new ERP system which is being created for the company's specific requirements. The developments commenced in the current year and are in progress. As such no amortisation was charged during the year.

10 Stocks	2016 £	2015 £
Finished goods for resale	2,318,881	959,105

In the opinion of the directors, the replacement cost of stocks did not differ significantly from the amount shown above.

11 Debtors	2016 £	2015 £
Trade debtors	1,039,676	1,458,011
Amounts due from related parties	15,958,756	17,034,303
Amounts due from other group undertakings	1,913,380	1,913,380
Prepayments and other debtors	18,242	1,484,617
	18,930,054	21,890,311

Amounts due from related parties and other group undertakings are unsecured, interest free and payable on demand.

12 Creditors: amounts falling due within one year	2016 £	2015 £
Trade creditors	-	15,412
Amounts owed to other group undertakings	8,083,926	5,734,070
Amounts owed to associated undertakings	2,856,842	2,568,813
Amounts due to related parties	2,091,178	1,497,929
Value added tax payable	33,312	84,836
Accruals and deferred income	955,331	449,047
	14,020,589	10,350,107

Amounts owed to related parties and other group undertakings are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Deferred tax	2016 £	2015 £
Deferred Tax:		
At 1 August	20,856	13,771
Profit and loss account (note 7)	(112,007)	7,085
At 31 July	<u>(91,151)</u>	<u>20,856</u>
Deferred tax asset is split as follows;		
Accelerated capital allowances	(104,651)	5,856
Short term timing difference	13,500	15,000
	<u>(91,151)</u>	<u>20,856</u>

14 Post employment benefits

During the prior year all of the Origin Group's UK defined benefit pension Schemes were merged into one scheme with assets and liabilities transferred to a new single Defined Benefit Scheme – the Origin UK Pension Scheme. Once all assets and liabilities had been transferred the old UK schemes were wound up. The assets of the Origin UK Pension scheme continue to be managed under the pre-existing investment arrangements.

The new Origin UK Pension Scheme has two sections, the Main Section and the UAP Section. Each section has its own sponsoring employer. The assets and liabilities of the old R&H Hall Scheme were transferred to the Main Section along with the assets and liabilities of the Masstock Arable (UK) Limited Retirement Benefits Plan (the "Masstock Scheme") and the CSC Crop Protection Limited Pension and Life Assurance Fund (the "CSC Scheme"). The Company is a sponsoring employer for the Main Section of the Origin UK Scheme and is liable for 5% of any net pension liability associated with the main section. A fellow group company, Masstock Arable (UK) Limited is liable for 100% of any net pension liability. Masstock Arable (UK) Limited accounts for the entire Main Section of the Origin UK Pension Scheme and recharges the Company for its 5% through an intra-group charge.

The effect of the above transfer and the movements of the new Origin UK Pension Scheme – Main Section for which the Company is liable for 5% of are summarised as follows:

	Origin UK Pension Scheme Main Section £'000
Pension scheme deficit at 1 August 2015	(2,050)
Charged to the profit and loss account during the year	(485)
Movements through the statement of comprehensive income	(3,752)
Contributions made during the year	658
Origin UK Pension scheme – Main section deficit at 31 July 2016	<u>(5,629)</u>
Company liability for Origin UK Pension Scheme – Main Section – 5%	<u>(281)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Post employment benefits - continued

The Origin UK Pension Scheme – Main Section

The Origin UK Pension Scheme – Main section, which is a defined benefit scheme, has been closed to new members. Under the projected unit method the current service cost will increase as the members of the scheme approach retirement. However, the number of active members of the scheme will at the same time be reducing with the corresponding reduction in overall costs of contribution by the company.

The valuations of the defined benefit scheme used for the purposes of the following disclosures are those of the most recent actuarial valuation carried out at 31 July 2016 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

The main assumptions used by the actuary were as follows:

	2016	2015	
Discount rate	2.40%	3.80%	per annum
Salary increases	2.70%	3.30%	per annum
Inflation (RPI)	1.90%	2.50%	per annum
Pension increases	1.90%	2.50%	per annum
Expected return on plan assets	4.10%	5.10%	per annum

Assumptions regarding future mortality are set based on advice from published statistics and experience.

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

	2016	2015
Longevity at aged 65 for current pensioners		
Male	21.8	21.7
Female	24.2	24.0

Longevity at aged 65 for members currently aged 45

Male	24.1	23.9
Female	26.5	26.3

The fair value of assets in the scheme at each balance sheet date were:

	Asset value 2016 £'000	% of assets 2016	Asset value 2015 £'000	% of assets 2015
Equities	8,946	20%	14,234	36%
Aviva insurance policy	4,709	10%	5,536	14%
Cash	164	0%	395	1%
Property	369	1%	395	1%
Bonds and gilts	-	0%	17,398	44%
Investment funds	20,159	44%	17,398	44%
Other	1,580	25%	1,580	4%
Total scheme assets	45,557		39,538	

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Post employment benefits - continued

	2016 £'000	2015 £'000
The return on plan assets was:		
Interest income	1,495	1,571
Return on plan assets less interest income	4,804	2,543
	<u>6,299</u>	<u>4,114</u>

	2016 £'000	2015 £'000
The valuation results at each balance sheet date were:		
Fair value of scheme assets	45,557	39,538
Present value of scheme liabilities	<u>(51,186)</u>	<u>(41,588)</u>
Net pension deficit	<u>(5,629)</u>	<u>(2,050)</u>

	2016 £'000	2015 £'000
Movement in fair value of scheme assets		
Fair value of assets at the beginning of the year	39,538	-
Transfers from other schemes	-	35,964
Interest income	1,495	1,571
Employer contributions	658	291
Contributions by scheme participants	159	186
Benefits paid	(1,097)	(1,017)
Remeasurement gains:		
Return on plan assets excluding interest income	4,804	2,543
Fair value of assets at the end of the year	<u>45,557</u>	<u>39,538</u>

	2016 £'000	2015 £'000
Movement in present value of defined benefit obligation		
Defined benefit obligation at the beginning of the year	(41,588)	-
Transfers from other schemes	-	(35,280)
Current service cost	(328)	(323)
Past service cost	(81)	-
Contributions by scheme participants	(159)	(186)
Interest cost	(1,571)	(1,555)
Benefits paid	1,097	1,017
Remeasurement losses:		
Actuarial loss	(8,556)	(5,261)
Defined benefit obligation at the end of the year	<u>(51,186)</u>	<u>(41,588)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Post employment benefits - continued

Analysis of defined benefit expense recognised in the profit and loss account

Current service cost	(328)	(323)
Past service cost	(81)	-
Total recognised in operating profit	(409)	(323)
Expected return on pension scheme assets	1,495	1,571
Interest cost on scheme liabilities	(1,571)	(1,555)
Included in interest costs	(76)	16
Net charge to profit and loss account	(485)	(307)

The following shows the amount recognised in the statement of comprehensive income

Return on plan assets excluding interest income	4,804	2,543
Experience adjustment on scheme liabilities	664	(1,642)
Changes in demographical and financial assumptions	(9,220)	(3,619)
Actuarial loss	(3,752)	(2,718)

The Company expects to contribute approximately £328,000 (2015: £491,000) to its defined benefit scheme in the next financial year ended 31 July 2017.

15 Share capital

	2016 £'000	2015 £'000
Authorised		
2,000,000 ordinary shares of Stg£1 each	2,000,000	2,000,000
Allotted, called up and fully paid		
2,000,000 ordinary shares of Stg£1 each	2,000,000	2,000,000

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

16 Contingent liabilities

The company is a participant in a banking arrangement along with other group and associated companies. The company has issued a cross company guarantee and indemnity in favour of Bank of Ireland pursuant to which each company that is a member of this banking arrangement guarantees, on a joint and several basis, the payment and performance by each other company of its obligations to the bank.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Group membership and controlling party

The directors regard Origin Enterprises plc as the controlling party of the company. The company's immediate parent undertaking is Origin Enterprises UK Limited, an undertaking incorporated and operating in the United Kingdom. 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.

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.

In the normal course of business, the Group undertakes arms-length transactions with its associates and other related parties. A summary of transactions with these related parties during the year are as follows:

	Sale of goods £'000	Purchase of goods £'000	Receiving services from £'000	Total £'000
Transactions with associates and joint ventures of Origin Enterprises plc	48,859,226	74,279,816	798,625	123,937,667

The balances owing to the company from related parties at 31 July 2016 were £15,958,756 (2015: £17,034,303) and the balances owing from the company to related parties at 31 July 2016 were £4,948,020 (2015: £4,066,742).

19 Approval of the Financial Statements

The financial statements were approved by the board of directors on 19 December 2016