

**PROBIOTICS INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**



# PROBIOTICS INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J D Melling T M Lewis J R Sowler A A Lockington
<b>Secretary</b>	J D Melling
<b>Company number</b>	01122942
<b>Registered office</b>	Lopen Head South Petherton Somerset TA13 5JH
<b>Auditor</b>	BWMacfarlane Castle Chambers 43 Castle Street Liverpool L2 9SH
<b>Business address</b>	Lopen Head South Petherton Somerset TA13 5JH
<b>Bankers</b>	Natwest Bank Plc The Bull Ring Northwich Cheshire CW9 5BN

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# PROBIOTICS INTERNATIONAL LIMITED

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# PROBIOTICS INTERNATIONAL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JULY 2016**

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### **Fair review of the business**

Company turnover for the year under review rose by £2.65m (10.9%) from £24.26m in 2015 to £26.91m. The increase in sales turnover has reflected the continued demand for the company's products, especially in the human healthcare sector and the increased interest from overseas.

Trading margins have improved slightly in comparison with the previous year due to a continued focus on cost control and improved manufacturing processes which have generated greater efficiencies.

The effect of the above combined with controlled distribution and administrative costs have resulted in the company increasing its profit before tax figure by £0.94m (17.0%) from £5.64m in 2015 to £6.66m.

The company's strong trading results has enabled it to continue to invest in capital whilst at the same time reduce its levels of long term borrowing. The profits generated over the the years have given rise to a significant cash surplus and the directors have taken the decision to utilise these funds to repay its long term bank loans in 2016/17. The repayment of these loans which total £2.05m at the balance sheet date will not only reduce overall gearing levels but will also have a positive effect on profits through the reduction of interest charges.

Overall the company has again performed strongly and has maintained a healthy balance sheet position, providing a strong platform to exploit future growth opportunities.

### **Financial Control**

The directors acknowledge responsibility for the company's system of internal financial control and believe the established systems are appropriate to the business. No material losses or contingencies have arisen during the 12 months trading period that would require disclosure by the directors.

It is the view of the directors that the company accounts presented represent a true and fair view of the state of affairs of the company and results for the 12 months to the year end accounts date. Suitable accounting policies have been established and applied consistently and disclose with reasonable accuracy the financial position of the company.

### **Principal risks and uncertainties**

The directors consider the key risks and uncertainties facing the company are as follows:

- The increasing competition, in particular in the export markets and the potential loss of one or more key export customers.
- Potential changes to legislation which may affect the ways in which the company can market and advertise its products.
- Exchange rate risk faced by the company as a result of significant dealings in foreign currencies with both foreign suppliers and export customers. The directors have mitigated these risks as far as possible through the use of natural hedging methods such as agreeing contracts in UK currency or at longer-term fixed rates and maintaining foreign currency bank accounts for dealings with overseas customers and suppliers.
- The exposure to credit risk primarily attributed to the company's large trade receivables balances with several key customers. The directors have aimed to mitigate this risk as far as possible through the use of appropriate credit control procedures.
- Price risk associated with the purchase of several key raw ingredients. The directors have sought to control this risk so far as possible through negotiating long-term fixed contracts and rebates where possible.

# PROBIOTICS INTERNATIONAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2016**

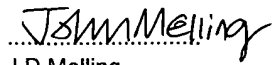
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### Key performance indicators

Probiotics International Limited uses gross profit and operating profit as a key financial performance indicator and both measures indicate strong results for the company. Gross profit has risen by £1.88m (14.5%) between 2015 and 2016 rising from £12.96m to £14.84m. Operating profit has also risen by £0.94m (16.48%) year on year and reached £6.66m for the year ended 31 July 2016.

Additional KPIs used by the company include measures for customer retention, employee turnover and absenteeism, customer complaints, and sales costs analysis. All measures show satisfactory progress against target.

By order of the board



J D Melling

Secretary

26<sup>th</sup> January 17

# PROBIOTICS INTERNATIONAL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2016

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

#### Principal activities

The principal activity of the company continued to be that of the manufacture and distribution of probiotic animal and human healthcare products in both domestic and overseas markets.

#### Branches

The company has no branches outside of the UK.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J D Melling  
T M Lewis  
J R Sowler  
AA Lockington

#### Results and dividends

The results for the year are set out on page 8.

Overall, the directors were pleased with the performance of the business for the year ended 31 July 2016 and during which the company has declared and paid dividends totalling £2,700,000.

#### Research and development

During the year the company continued to undertake research and development activities in order to advance its technological know-how and generate new and improved product offerings. The results for the year show research and development expenditure charged to the profit and loss account totalled £454,291 (2015: £426,246).

In addition to the above the company have also been undertaking numerous research and development projects with the aim to develop new human and animal probiotic products. Such costs are capitalised within the balance sheet only once the development stage has been reached and directors are satisfied as to the technical, commercial and financial viability of each individual project. No amounts (2015: £61,118) have been capitalised as intangible development costs in 2016 but the company continue to benefit from projects completed in prior years which are being amortised over the period in which the company expects to benefit from the research projects, which the directors consider to be ten years.

Payments made in respect of ongoing research and development costs which total £278,508 (2015: £289,964) are included in the financial statements within other debtors. It is the directors' intention to capitalise these costs once the projects have been completed if the relevant criteria for capitalisation is met, otherwise the costs will be written off to the profit and loss account.

#### Future developments

The company had an option to purchase land adjacent to the existing site which has been exercised in 2016/17 and building work will commence to expand the site via the addition of a new factory, warehouse and office block. The new expansion works will be vital as the company aims to significantly increase the size of its future operations.

There are no other significant planned future developments.

#### Auditor

In accordance with the company's articles, a resolution proposing that BWMacfarlane be reappointed as auditor of the company will be put at a General Meeting.

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# PROBIOTICS INTERNATIONAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2016**

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### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



J D Melling

Secretary

26<sup>th</sup> January 17

# **PROBIOTICS INTERNATIONAL LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JULY 2016***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# PROBIOTICS INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PROBIOTICS INTERNATIONAL LIMITED

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We have audited the financial statements of Probiotics International Limited for the year ended 31 July 2016 set out on pages 8 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

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

#### **Opinion on other matters 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.

# PROBIOTICS INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PROBIOTICS INTERNATIONAL LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Lesley Malkin BA FCA (Senior Statutory Auditor)  
for and on behalf of BWMacfarlane

29/1/17

Chartered Accountants  
Statutory Auditor

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9SH

# PROBIOTICS INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2016

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	Notes	2016 £	2015 £
Turnover	3	26,912,049	24,258,288
Cost of sales		(12,074,182)	(11,299,984)
<b>Gross profit</b>		<b>14,837,867</b>	<b>12,958,304</b>
Distribution costs		(1,556,215)	(1,356,819)
Administrative expenses		(6,616,780)	(5,879,502)
<b>Operating profit</b>	4	<b>6,664,872</b>	<b>5,721,983</b>
Interest receivable and similar income	7	11,671	2,892
Interest payable and similar charges	8	(75,632)	(82,183)
<b>Profit before taxation</b>		<b>6,600,911</b>	<b>5,642,692</b>
Taxation	9	(1,256,394)	(1,054,777)
<b>Profit for the financial year</b>		<b>5,344,517</b>	<b>4,587,915</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# PROBIOTICS INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 JULY 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		1,678,071		1,877,385
Other intangible assets	11		306,847		351,542
			<u>1,984,918</u>		<u>2,228,927</u>
Total intangible assets			1,984,918		2,228,927
Tangible assets	12		5,278,935		4,785,706
Investments	13		171,229		-
			<u>7,435,082</u>		<u>7,014,633</u>
<b>Current assets</b>					
Stocks	16	2,903,991		2,707,777	
Debtors	17	6,631,852		5,723,606	
Cash at bank and in hand		7,179,089		4,695,661	
			<u>16,714,932</u>		<u>13,127,044</u>
<b>Creditors: amounts falling due within one year</b>	18	(7,072,155)		(3,644,247)	
<b>Net current assets</b>			<u>9,642,777</u>		<u>9,482,797</u>
<b>Total assets less current liabilities</b>			<u>17,077,859</u>		<u>16,497,430</u>
<b>Creditors: amounts falling due after more than one year</b>	19		(31,279)		(2,095,365)
<b>Net assets</b>			<u><u>17,046,580</u></u>		<u><u>14,402,065</u></u>
<b>Capital and reserves</b>					
Called up share capital	23	103,434		103,434	
Profit and loss reserves		16,943,146		14,298,631	
<b>Total equity</b>			<u><u>17,046,580</u></u>		<u><u>14,402,065</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20 January 17 and are signed on its behalf by:

  
 .....  
 J D Melling  
 Director

Company Registration No. 01122942

# PROBIOTICS INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2016

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	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2014		103,434	10,060,716	10,164,150
Year ended 31 July 2015:				
Profit and total comprehensive income for the year		-	4,587,915	4,587,915
Dividends	10	-	(350,000)	(350,000)
Balance at 31 July 2015		103,434	14,298,631	14,402,065
Year ended 31 July 2016:				
Profit and total comprehensive income for the year		-	5,344,517	5,344,517
Dividends	10	-	(2,700,000)	(2,700,000)
Balance at 31 July 2016		103,434	16,943,146	17,046,580

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# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JULY 2016**

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### **1 Accounting policies**

#### **Company information**

Probiotics International Limited is a company limited by shares incorporated in England and Wales. The registered office is Lopen Head, South Petherton, Somerset, TA13 5JH.

#### **1.1 Accounting convention**

These financial statements for the year ended 31 July 2016 are the first financial statements of Probiotics International Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The financial statements present information about the company as an individual undertaking and not about the group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Tithebarn Limited, a company incorporated in the UK, and is included in the consolidated accounts of that company. Copies of those group accounts may be obtained from Tithebarn Limited's registered office at Road 5, Winsford Industrial Estate, Winsford, Cheshire, CW7 3PG.

Probiotics International Limited has also taken the exemption available under FRS102 not to prepare a cash flow statement as it is a 100% owned subsidiary of Tithebarn Limited that prepares group accounts which are publicly available.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods provided during the period net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **1.4 Intangible fixed assets - goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. Where the directors consider the useful life to be in excess of 10 years but are unable to accurately and reliably measure this life, a period of 10 years is adopted.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development Costs	10% straight line
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Freehold property	2.5% straight line
Leasehold & leasehold improvements	10% straight line
Plant and machinery	15% straight line
Fixtures, fittings & equipment	15%-33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Stocks

Stocks comprise raw materials & packaging, work in progress and finished goods and are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials incurred in bringing the stock items to their present location and condition and is valued on a first in first out basis based upon the costings of the last three purchase or stock orders.

Stocks held for distribution at no or nominal consideration are measured at cost.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 effective 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.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

#### 1 Accounting policies

(Continued)

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 1 Accounting policies (Continued)

**1.12 Employee benefits**  
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Retirement benefits**  
The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 102.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

**1.14 Leases**  
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.15 Foreign exchange**  
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

**1.16 Group relief**  
The financial statements have been prepared on the assumption that group relief will be used to facilitate the transfer of corporation tax losses between companies in the group. No compensation is made in respect of any loss relief between companies.

**1.17 Share capital**  
Ordinary shares are classified as equity.

**1.18 Distributions to equity holders**  
Dividends to the company's shareholders are recognised as a liability in the financial statements in the period in which they are approved. These amounts are recognised in the statement of changes in equity.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Multi-employer defined benefit scheme***

Certain employees participate in a multi-employer defined benefit scheme which also includes employees of the parent company, Tithebarn Limited. In the judgement of the directors, the company does not have sufficient information to identify its share of the underlying assets or liabilities and as such no provision is made for the company's share of the defined benefit obligation and plan assets in these accounts. A full provision has been made in the consolidated accounts of the parent and further details regarding the scheme are set out in note 22.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Useful economic lives of tangible assets***

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed on initial acquisition and reassessed periodically to ensure they remain appropriate. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Accounting policy note 1.6 sets out the useful economic lives for each class of asset and carrying values of property plant and equipment is shown in note 12.

#### ***Development costs***

The amortisation charge on development costs is determined by the estimated useful economic lives of each of the relevant projects. Directors have estimated these useful economic lives in accordance with the period in which they consider the company will continue to benefit from those development projects. In all cases the directors have considered this estimated useful life to be 10 years (as noted in accounting policy note 1.5) however this is under constant assessment in light of technological and scientific advancements, regulatory changes and other relevant factors. The carrying values of development costs are set out in note 11.

#### ***Impairment of debtors***

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors management considers factors such as current credit rating, the ageing profile of debtors and historical experience. The carrying amount of trade and other debtors are set out in note 17.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
<b>Turnover</b>		
Sale of goods	26,912,049	24,258,288

#### Turnover analysed by geographical market

	2016 £	2015 £
UK	11,183,034	9,171,953
Europe	6,534,857	5,762,524
The rest of the world	9,194,158	9,323,811
	<u>26,912,049</u>	<u>24,258,288</u>

#### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains/(losses)	(455,277)	52,063
Research and development costs	409,594	385,885
Fees payable to the company's auditor for the audit of the company's financial statements	9,700	9,430
Depreciation of owned tangible fixed assets	520,848	472,387
Depreciation of tangible fixed assets held under finance leases	9,300	37,223
Loss on disposal of tangible assets	-	707
Amortisation of intangible assets	244,009	174,416
Cost of stocks recognised as an expense	8,003,957	7,590,334
Operating lease charges	208,098	154,200
Auditors remuneration for audit of financial statements	9,700	9,430

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Sales, manufacturing and administration	122	104
Directors	3	3
	<u>125</u>	<u>107</u>

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	5,439,825	4,475,354
Social security costs	610,512	484,886
Pension costs	116,020	98,951
	<u>6,166,357</u>	<u>5,059,191</u>

### 6 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	1,922,117	1,542,615
Company pension contributions to defined contribution schemes	40,868	39,345
	<u>1,962,985</u>	<u>1,581,960</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2015 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	729,119	594,414
Company pension contributions to defined contribution schemes	17,099	16,764
	<u>746,218</u>	<u>611,178</u>

### 7 Interest receivable and similar income

	2016	2015
	£	£
<b>Interest income</b>		
Interest on bank deposits	11,671	2,892
	<u>11,671</u>	<u>2,892</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	11,671	2,892
	<u>11,671</u>	<u>2,892</u>

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 8 Interest payable and similar charges

	2016	2015
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	66,255	71,034
Interest on finance leases and hire purchase contracts	9,124	10,522
	<u>75,379</u>	<u>81,556</u>
<b>Other finance costs:</b>		
Other interest	253	627
	<u>75,632</u>	<u>82,183</u>

### 9 Taxation

	2016	2015
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,255,746	1,055,031
Adjustments in respect of prior periods	648	(254)
	<u>1,256,394</u>	<u>1,054,777</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£	£
Profit before taxation	<u>6,600,911</u>	<u>5,642,692</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.67%)	1,320,182	1,166,344
Tax effect of expenses that are not deductible in determining taxable profit	8,869	4,578
Adjustments in respect of prior years	648	(254)
Group relief	(2,662)	-
Capital allowances in excess of depreciation	(13,430)	(19,126)
Research and development tax credit	(106,495)	(132,747)
Amortisation	48,801	36,052
Other tax adjustments	481	(70)
	<u>1,256,394</u>	<u>1,054,777</u>

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

<b>10 Dividends</b>		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Interim paid		2,700,000	350,000
		<u>          </u>	<u>          </u>
<b>11 Intangible fixed assets</b>			
	<b>Goodwill</b>	<b>Development Costs</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 August 2015 and 31 July 2016	2,461,093	446,968	2,908,061
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 August 2015	583,708	95,426	679,134
Amortisation charged for the year	199,314	44,695	244,009
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2016	783,022	140,121	923,143
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 July 2016	1,678,071	306,847	1,984,918
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 July 2015	1,877,385	351,542	2,228,927
	<u>          </u>	<u>          </u>	<u>          </u>

Goodwill consists of the agreed consideration for the purchase of the entire share capital of Nelson Veterinary Limited, Cambridge Bioceuticals Limited and The Healthy Bowels Company Limited, less the value of net assets transferred from those companies as at the purchase date. Goodwill also includes the acquisition of other intangible assets such as distribution rights to sell its product, Bio-Kult, exclusively in Australia and New Zealand.

All goodwill is written off over a period of 10 years on a straight line basis, unless the directors agree that the length of time in which the company will benefit from the asset is less than 10 years and in which case a shorter period is selected.

Development costs relate to research and development costs carried out by Probiotics International Limited which have been capitalised on the basis that the directors are satisfied as to the technical, commercial and financial viability of the individual projects upon which the costs relate. Development costs are amortised over the period in which the company is expected to benefit from such projects which the directors have considered to be 10 years.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 12 Tangible fixed assets

	Freehold land	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 August 2015	4,138,635	2,411,754	384,153	6,934,542
Additions	13,770	828,203	181,404	1,023,377
Disposals	-	(46,326)	(25,835)	(72,161)
At 31 July 2016	4,152,405	3,193,631	539,722	7,885,758
<b>Depreciation and impairment</b>				
At 1 August 2015	519,525	1,399,338	229,973	2,148,836
Depreciation charged in the year	18,443	414,432	97,273	530,148
Eliminated in respect of disposals	-	(46,326)	(25,835)	(72,161)
At 31 July 2016	537,968	1,767,444	301,411	2,606,823
<b>Carrying amount</b>				
At 31 July 2016	3,614,437	1,426,187	238,311	5,278,935
At 31 July 2015	3,619,110	1,012,416	154,180	4,785,706

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016	2015
	£	£
Plant and machinery	47,275	96,323
Depreciation charge for the year in respect of leased assets	9,300	37,223

### 13 Fixed asset investments

	Notes	2016	2015
		£	£
Investments in subsidiaries	14	171,229	-

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2015	-
Additions	171,229
	171,229
At 31 July 2016	171,229
	171,229
<b>Carrying amount</b>	
At 31 July 2016	171,229
	171,229
At 31 July 2015	-
	-

### 14 Subsidiaries

Details of the company's subsidiaries at 31 July 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Protexin Inc.	United States of America	Distribution of probiotic animal and human healthcare products	Ordinary 100.00
The Healthy Bowels Company Limited	England & Wales	Dormant	Ordinary 100.00
Cambridge Bioceuticals Limited	England & Wales	Dormant	Ordinary 100.00
Biokult Limited	England & Wales	Dormant	Ordinary 100.00
*Protexin PTY Limited	Australia	Distribution of probiotic animal and human healthcare products	Ordinary 100.00

\* Protexin PTY Limited was registered as a company on 31 May 2016 and has undertaken no transactions within the period to 31 July 2016.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 14 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Protexin Inc.	(16,956)	170,320
The Healthy Bowels Company Limited	-	1,000
Cambridge Bioceuticals Limited	1	6
Biokult Limited	-	1
*Protexin PTY Limited	-	-

### 15 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	13,556,130	10,158,362
Equity instruments measured at cost less impairment	171,229	-
	<u>13,727,359</u>	<u>10,158,362</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,263,417	3,149,176
	<u>4,263,417</u>	<u>3,149,176</u>

### 16 Stocks

	2016 £	2015 £
Raw materials and consumables	1,672,336	1,500,294
Work in progress	279,035	190,759
Finished goods and goods for resale	952,620	1,016,724
	<u>2,903,991</u>	<u>2,707,777</u>

### 17 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,992,962	4,315,525
Amounts due from fellow group undertakings	22,015	-
Other debtors	1,387,499	1,208,511
Prepayments and accrued income	229,376	199,570
	<u>6,631,852</u>	<u>5,723,606</u>

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

#### 18 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	20	2,055,148	195,899
Obligations under finance leases	21	11,521	14,032
Trade creditors		1,477,751	812,776
Corporation tax		685,999	544,295
Other taxation and social security		97,625	83,131
Other creditors		687,718	31,104
Accruals and deferred income		2,056,393	1,963,010
		<u>7,072,155</u>	<u>3,644,247</u>

Amounts due under finance lease contracts are secured by a charge over the asset purchased by the funding advanced. Included in bank loans and overdrafts are amounts due to NatWest Bank Plc totalling £2,055,148 (2015: 2,248,464) which are secured by a debenture over the company and subsidiary assets and by an unlimited corporate guarantee,

#### 19 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	20	-	2,052,565
Obligations under finance leases	21	31,279	42,800
		<u>31,279</u>	<u>2,095,365</u>

#### 20 Loans and overdrafts

	2016 £	2015 £
Bank loans	<u>2,055,148</u>	<u>2,248,464</u>
Payable within one year	2,055,148	195,899
Payable after one year	<u>-</u>	<u>2,052,565</u>

The loan balance relates to three separate loans from NatWest Bank Plc. Monthly repayments of both capital and interest are made with the last instalment due in April 2026. The loans attract interest at rates of 3.35% per annum above the base rate and 2.6% and 2.35% over LIBOR.

At 31 July 2016 the directors had taken the decision to repay the loans early and all outstanding amounts have been settled in 2016/17. As such the loans have been disclosed as repayable within one year.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

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21 Finance lease obligations	2016	2015
Future minimum lease payments due under finance leases:	£	£
Within one year	11,521	14,032
In two to five years	31,279	42,800
	<u>42,800</u>	<u>56,832</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Retirement benefit schemes	2016	2015
	£	£
Total charge to profit or loss in respect of pension contributions	<u>116,020</u>	<u>98,951</u>

### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### Defined benefit schemes

The company also operates a funded pension scheme providing benefits based on final pensionable pay. This scheme became closed to future pension accrual from 1 August 2011. The assets of the scheme are held separately from those of the company and the scheme also covers employees of the parent company, Tithebarn Limited. The notes below provide full disclosure of the scheme in accordance with FRS102 however neither company is able to identify its share of the underlying assets or liabilities. As such, a full provision for the scheme liability, as at 31 July 2016 is recognised in the Tithebarn group accounts only. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the Projected Unit Method. Under this method, the current service cost will increase as the members of the scheme approach retirement age.

With effect from April 2014 Tithebarn limited began to make additional contributions per annum to the defined benefit scheme in respect of a deficit identified in the 2013 actuarial valuation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31 July 2016 by Graeme Foster, Fellow of the Faculty of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

22 Retirement benefit schemes	(Continued)	
Key assumptions	2016 %	2015 %
Discount Rate	2.30	3.50
Retail price inflation	2.60	3.10
Rates of increase to pensions in payment:		
GMP earned before 6 April 1988	-	-
GMP earned after 5 April 1988	2.60	3.00
Pension earned before 6 April 1997 in excess of GMP	-	-
Pension earned on or after 6 April 1997	2.60	3.10
Rates of early leaver revaluation:		
GMP	Fixed rates	Fixed rates
Pension in excess of GMP	2.60	3.10
<b>Mortality assumptions</b>	<b>2016 recommendations</b>	<b>2015 calculations</b>
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.10	21.30
- Females	23.00	23.30
Retiring in 20 years		
- Males	22.30	22.60
- Females	24.50	24.80
<b>Amounts recognised in the profit and loss account</b>	<b>2016 £</b>	<b>2015 £</b>
Net interest on defined benefit liability / (asset)	(1,000)	(1,000)
Recognised in profit and loss account	(1,000)	(1,000)
<b>Amounts taken to other comprehensive income</b>	<b>2016 £</b>	<b>2015 £</b>
Remeasurement of defined benefit obligation	957,000	888,000
Return on plan assets, excluding amounts included in net interest on the recognised defined benefit liability / (asset)	(516,000)	(178,000)
Change in effect of asset ceiling, excluding amounts included in net interest on the recognised defined benefit liability / (asset)	(148,000)	(659,000)
Total recognised in Other Comprehensive Income	293,000	51,000

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

### 22 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2016 £	2015 £
Present value of defined benefit obligation	11,711,000	11,521,000
Fair value of plan assets	(11,469,000)	(11,664,000)
Deficit / (asset) in Scheme	242,000	(143,000)
Asset not recognised due to asset ceiling	-	143,000
Total liability recognised	<u>242,000</u>	<u>-</u>

#### Change in recognised defined benefit liability / (asset)

	2016 £	2015 £
Recognised defined benefit liability / (asset) at beginning of period	-	-
Defined benefit cost	292,000	50,000
Employer Contributions	(50,000)	(50,000)
Recognised defined benefit liability / (asset) at 31 July 2016	<u>242,000</u>	<u>-</u>

#### Movements in the present value of defined benefit obligations

	2016 £
Defined benefit obligation at 1 August 2015	11,521,000
Remeasurement arising from changes in assumptions	1,216,000
Remeasurement arising from experience	(259,000)
Benefits paid	(1,159,000)
Interest cost	392,000
At 31 July 2016	<u>11,711,000</u>

#### Movements in the fair value of plan assets

	2016 £
Fair value of assets at 1 August 2015	11,664,000
Interest income	398,000
Return on plan assets (excluding amounts included in net interest)	516,000
Benefits paid	(1,159,000)
Contributions by the employer	50,000
At 31 July 2016	<u>11,469,000</u>

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 22 Retirement benefit schemes (Continued)

	2016	2015
	£	£
<b>Fair value of plan assets at the reporting period end</b>		
Equities	4,702,290	4,665,600
Property	1,490,970	1,982,880
Corporate bonds	2,637,870	933,120
Gilts	1,835,040	1,516,320
Cash	802,830	2,566,080
<b>Total assets</b>	<b>11,469,000</b>	<b>11,664,000</b>

### 23 Share capital

	2016	2015
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
103,434 Ordinary shares of £1 each	103,434	103,434

### 24 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	175,970	155,285
Between two and five years	193,234	178,057
	<b>369,204</b>	<b>333,342</b>

### 25 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the disclosure exemptions to which it is entitled regarding transactions with its parent and other 100% owned subsidiaries in the group and key management personnel.

J D Melling is a director of Probiotics International Limited and Chairman of Minsups Limited. At the year end an amount of £59,288 (2015 - £94,184) was due from Minsups Limited in respect of an outstanding loan. This loan attracts interest at a rate of 2.5% per annum and is repayable on demand. During the year total repayments of £34,896 were received from Minsups Limited.

During the year the company also made sales to Minsups Limited totalling £15,110 (2015 - £9,487) All of these sales were carried out in the normal course of business. At the year end the balance due from Minsups Limited in relation to these sales was £nil (2015 - £nil).

# PROBIOTICS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JULY 2016**

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### 26 Controlling party

The company is ultimately owned and controlled through a Jersey-registered holding company (Interior Design Limited) by Equiom Trust (CI) Limited as a trustee of a Jersey-registered trust.

The immediate parent company is Tithebarn Limited, a company registered in England and Wales.

Tithebarn Limited prepares group accounts and copies can be obtained from Road 5, Winsford Industrial Estate, Winsford, Cheshire CW7 3PG.