

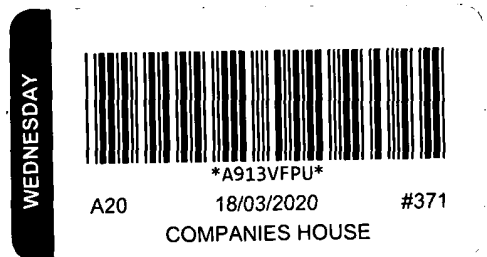
Company registration number: 03018384

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2019

PELGAR INTERNATIONAL  
LIMITED



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# PELGAR INTERNATIONAL LIMITED

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## COMPANY INFORMATION

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<b>Director</b>	Dr G Capel-Williams
<b>Registered number</b>	03018384
<b>Registered office</b>	Unit 13 Newman Lane Alton Hampshire GU34 2QR
<b>Independent auditors</b>	Menzies LLP Chartered Accountants & Statutory Auditor Victoria House 50-58 Victoria Road Farnborough Hampshire GU14 7PG

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# PELGAR INTERNATIONAL LIMITED

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# PELGAR INTERNATIONAL LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

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### Introduction

The principal activity of the company during the year was the manufacture of rodenticide and insecticide products, for controlling public health and agricultural (non-crop) pests.

### Business review

The director was happy with the performance achieved during the year and the closing balance sheet position.

### Results and performance

PelGar has seen another successful year where turnover has increased by 17% and the balance sheet remains strong and shows an increase from last year.

PelGar has continued to invest heavily in staff for future growth which has reduced the net profit percentage in the year however the company has still generated £768k before the deduction of the exceptional administrative expense.

Financial Key performance indicators during the year were as follows –

	2019 £	2018 £
Turnover	15,844,196	13,511,573
Net Assets	7,485,250	7,441,547

### Principal risks and uncertainties

PelGar have been proactive in reducing the risks regarding the UK leaving the EU. We have put purchasing strategies into place to minimise delays in the arrival of key raw materials which in turn will ensure our customers do not suffer any delays in placing our products into the market.

### Business environment

The field the company operates in is highly regulated which creates a large barrier to enter for new players which limits competition but also requires a continued significant spend to maintain approvals as regulations change. The EU is currently the toughest region for regulatory control and PelGar International is well positioned with relatively modern regulatory dossiers covering both active substances (rodenticides) and formulations. All regions and countries of the world have a need for pest control to both control nuisance pests and pests that transmit diseases. The demand for products is therefore unlikely to disappear though pressure to bring forward more environmentally friendly solutions will continue underlining the importance of a strong R&D base.

### Strategy

PelGar has excellent technical skills which enable us to work in partnership with our customers to overcome regulatory changes and produce products that are the most suitable for their regions and target markets, our production facility allows the flexibility to then produce these products.

### Future developments

PelGar continues to invest in key employees to strengthen both our technical and manufacturing skills to continue supporting our customers worldwide.

We are continuously looking to improve current processes and invest in new technology to maintain a safe and efficient production environment to support our employees and in turn provide customers with quality products.

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# PELGAR INTERNATIONAL LIMITED

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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

  
.....  
**Dr. G Capel-Williams**  
Director

Date:

4/3/2020

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# PELGAR INTERNATIONAL LIMITED

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## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2019

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The Director presents his report and the financial statements for the year ended 30 June 2019.

### Director's responsibilities statement

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies for the Company's financial statements 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 Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

### Results and dividends

The profit for the year, after taxation, amounted to £47,703 (2018 - £961,723).

### Director

The Director who served during the year was:

Dr G Capel-Williams

### Going Concern

The director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

### Matters covered in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 Strategic Report and Directors' Report Regulations 2013 to set out in company's strategic report information required by schedule 7 of the large and medium-sized Companies and Group (Accounts and Reports) Regulations 2008.

### Disclosure of information to auditors

The Director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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# PELGAR INTERNATIONAL LIMITED

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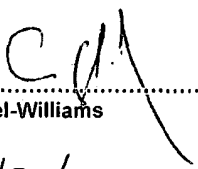
## DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

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### Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

  
.....  
Dr G Capel-Williams  
Director

Date: 4/3/2020

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PELGAR INTERNATIONAL LIMITED**

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**Opinion**

We have audited the financial statements of PelGar International Limited (the 'Company') for the year ended 30 June 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PELGAR  
INTERNATIONAL LIMITED (CONTINUED)

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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

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

**Responsibilities of directors**

As explained more fully in the Director's Responsibilities Statement on page 3, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PELGAR  
INTERNATIONAL LIMITED (CONTINUED)

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Use of our report**

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Roberto Lobue FCA (Senior Statutory Auditor)

for and on behalf of  
Menzies LLP

Chartered Accountants  
Statutory Auditor

Victoria House  
50-58 Victoria Road  
Farnborough  
Hampshire  
GU14 7PG

Date: 4/3/2020

# PELGAR INTERNATIONAL LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 £	2018 £
Turnover	4	15,844,196	13,511,573
Cost of sales		(7,571,714)	(6,173,849)
<b>Gross profit</b>		<b>8,272,482</b>	<b>7,337,724</b>
Administrative expenses		(7,503,676)	(6,235,667)
Exceptional administrative expenses		(823,822)	(26,820)
<b>Operating (loss)/profit</b>	5	<b>(55,016)</b>	<b>1,075,237</b>
Interest receivable and similar income	8	4	2
Interest payable and expenses	9	(14,867)	(26,340)
<b>(Loss)/profit before tax</b>		<b>(69,879)</b>	<b>1,048,899</b>
Tax on (loss)/profit	10	117,582	(87,176)
<b>Profit after tax</b>		<b>47,703</b>	<b>961,723</b>
Retained earnings at the beginning of the year		7,075,747	6,124,024
		7,075,747	6,124,024
Profit for the year		47,703	961,723
Dividends declared and paid		(4,000)	(10,000)
<b>Retained earnings at the end of the year</b>		<b>7,119,450</b>	<b>7,075,747</b>

The notes on pages 10 to 21 form part of these financial statements.

**PELGAR INTERNATIONAL LIMITED**  
**REGISTERED NUMBER:03018384**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	<u>1,414,089</u>	<u>1,395,105</u>
		<b>1,414,089</b>	<b>1,395,105</b>
<b>Current assets</b>			
Stocks	13	2,050,498	1,907,999
Debtors: amounts falling due within one year	14	9,253,620	8,832,353
Cash at bank and in hand		<u>178,921</u>	<u>138,667</u>
		<b>11,483,039</b>	<b>10,879,019</b>
Creditors: amounts falling due within one year	15	<u>(4,863,484)</u>	<u>(4,488,532)</u>
<b>Net current assets</b>		<b>6,619,555</b>	<b>6,390,487</b>
<b>Total assets less current liabilities</b>		<b>8,033,644</b>	<b>7,785,592</b>
Creditors: amounts falling due after more than one year	16	<b>(241,544)</b>	<b>(31,394)</b>
<b>Provisions for liabilities</b>			
Deferred tax	19	(158,050)	(163,851)
Other provisions	20	<u>(148,800)</u>	<u>(148,800)</u>
		<b>(306,850)</b>	<b>(312,651)</b>
<b>Net assets</b>		<b>7,485,250</b>	<b>7,441,547</b>
<b>Capital and reserves</b>			
Called up share capital	21	365,800	365,800
Profit and loss account	22	<u>7,119,450</u>	<u>7,075,747</u>
		<b>7,485,250</b>	<b>7,441,547</b>

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

  
 .....  
**Dr G Capel-Williams**  
 Director

Date: 4/3/2020

The notes on pages 10 to 21 form part of these financial statements.

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 1. General information

PelGar International Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office, which is the same as its principal place of business, is disclosed on the Company Information page.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of PelGen Limited as at 30 June 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 2. Accounting policies (continued)

#### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	over the term of the lease
Plant and machinery	-	25%
Office equipment	-	25%
Computer equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

#### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 2. Accounting policies (continued)

#### 2.6 Financial instruments

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

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.

#### 2.7 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### 2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

The company did not make any significant judgements (apart from those involving estimations which are detailed below) that have a significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The company makes an estimate of the realisable value of stock. When assessing the impairment of stock management considers a number of factors including updated to laws and regulations, and the current market trends.

Estimates are involved with the determination of the fair value calculation of derivative financial instruments at the prior year end.

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Sale of Goods	15,844,196	13,511,573
	<u>15,844,196</u>	<u>13,511,573</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	8,257,403	7,878,033
Rest of World	7,586,793	5,633,540
	<u>15,844,196</u>	<u>13,511,573</u>

### 5. Operating (loss)/profit

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

	2019 £	2018 £
Research & development charged as an expense	208,489	180,390
Depreciation of tangible assets	564,165	488,497
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,200	12,200
Exchange differences	(363)	(103,807)
Other operating lease rentals	476,833	426,576
	<u>476,833</u>	<u>426,576</u>



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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 6. Employees

Staff costs, including Director's remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	3,628,386	3,169,777
Social security costs	363,131	318,847
Cost of defined contribution scheme	80,707	60,705
	<u>4,072,224</u>	<u>3,549,329</u>

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

	2019 No.	2018 No.
Production Staff	58	56
Office staff	57	52
	<u>115</u>	<u>108</u>

### 7. Director's remuneration

	2019 £	2018 £
Director's emoluments:	131,513	129,336
	<u>131,513</u>	<u>129,336</u>

During the period retirement benefits were accruing to no directors (2018: none) in respect of defined contribution pension schemes.

### 8. Interest receivable

	2019 £	2018 £
Other interest receivable	4	2
	<u>4</u>	<u>2</u>

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	12,022	23,669
Finance leases and hire purchase contracts	2,845	2,671
	<u>14,867</u>	<u>26,340</u>

### 10. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	(111,781)	123,558
Adjustments in respect of previous periods	-	1,248
	<u>(111,781)</u>	<u>124,806</u>
<b>Total current tax</b>	<u>(111,781)</u>	<u>124,806</u>
<b>Deferred tax</b>		
Accelerated Capital Allowances	(5,801)	(37,630)
<b>Total deferred tax</b>	<u>(5,801)</u>	<u>(37,630)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(117,582)</u>	<u>87,176</u>

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	(72,518)	1,048,899
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(13,778)	199,291
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,354	2,410
Depreciation of assets ineligible for capital allowances	5,926	1,249
Adjustments to tax charge in respect of prior periods	3,913	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(117,081)	(117,433)
Changes in provisions leading to an increase (decrease) in the tax charge	-	2,345
Changes to the tax rate on deferred tax balances	1,084	-
Group relief	-	(686)
Total tax charge for the year	(117,582)	87,176

### 11. Exceptional items

	2019 £	2018 £
Exceptional items	823,822	26,820
	823,822	26,820

During the year, an incident affecting the company's production facilities required significant restructure and additional temporary costs to be incurred. The director is satisfied that these are now complete.

# PELGAR INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 12. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 July 2018	282,365	3,311,169	237,627	174,648	4,005,809
Additions	-	561,008	8,944	13,196	583,148
At 30 June 2019	<u>282,365</u>	<u>3,872,177</u>	<u>246,571</u>	<u>187,844</u>	<u>4,588,957</u>
<b>Depreciation</b>					
At 1 July 2018	89,390	2,211,690	179,482	130,142	2,610,704
Charge for the year on owned assets	59,282	473,579	16,944	14,359	564,164
At 30 June 2019	<u>148,672</u>	<u>2,685,269</u>	<u>196,426</u>	<u>144,501</u>	<u>3,174,868</u>
<b>Net book value</b>					
At 30 June 2019	<u>133,693</u>	<u>1,186,908</u>	<u>50,145</u>	<u>43,343</u>	<u>1,414,089</u>
At 30 June 2018	<u>192,975</u>	<u>1,099,479</u>	<u>58,145</u>	<u>44,506</u>	<u>1,395,105</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	146,972	163,302
	<u>146,972</u>	<u>163,302</u>

### 13. Stocks

	2019 £	2018 £
Raw materials	-	1,305,712
Work in progress	-	265,012
Finished goods and goods for resale	2,050,498	337,275
	<u>2,050,498</u>	<u>1,907,999</u>

Stock recognised in cost of sales during the year as an expense was £6,794,113 (2018 - £5,565,757).

# --- **PELGAR INTERNATIONAL LIMITED** ---

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019** ---

### **14. Debtors**

	2019 £	2018 £
Trade debtors	2,537,747	2,419,168
Amounts owed by group undertakings	5,615,966	5,615,125
Other debtors	988,934	738,253
Prepayments and accrued income	110,973	59,807
	<u>9,253,620</u>	<u>8,832,353</u>

### **15. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank loans	243,285	593,078
Trade creditors	1,870,837	1,535,391
Amounts owed to group undertakings	96,074	108,064
Corporation tax	-	142,693
Other taxation and social security	298,815	169,081
Obligations under finance lease and hire purchase contracts	25,211	46,865
Other creditors	2,046,102	1,551,064
Accruals and deferred income	283,160	342,296
	<u>4,863,484</u>	<u>4,488,532</u>

The Security for the bank loan is in the form of a cross guarantee and debenture between PelGar International Limited, PelGen Limited and PelGar (Holdings) Limited.

Included within other creditors is an invoice discounting creditor of £1,969,069 (2018: £1,483,173) which is secured by way of a fixed and floating charge over the assets of the company.

### **16. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	241,544	6,357
Net obligations under finance leases and hire purchase contracts	-	25,037
	<u>241,544</u>	<u>31,394</u>

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 17. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Bank loans	243,285	593,078
	<u>243,285</u>	<u>593,078</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	241,544	6,357
	<u>241,544</u>	<u>6,357</u>
	<u>484,829</u>	<u>599,435</u>

### 18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	25,211	46,865
Between 1-2 years	-	25,037
	<u>25,211</u>	<u>71,902</u>

### 19. Deferred taxation

	2019 £	2018 £
At beginning of year	(163,851)	(201,481)
Charged to profit or loss	5,801	37,630
At end of year	<u>(158,050)</u>	<u>(163,851)</u>

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 19. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(158,050)	(163,851)
	<u>(158,050)</u>	<u>(163,851)</u>

### 20. Provisions

	Dilapidations £
At 1 July 2018	148,800
At 30 June 2019	<u>148,800</u>

A provision for dilapidations is to recognise future costs to return the leased property to the condition in which it was first provided. This will be released on the surrender of the lease.

### 21. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
365,800 (2018 - 365,800) Ordinary Share Capital shares of £1.00 each	<u>365,800</u>	<u>365,800</u>

### 22. Reserves

#### Profit and loss account

Each ordinary share carries voting rights and there are no restrictions on the distribution of dividends.

### 23. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £80,707 (2018 - £60,705). Contributions totalling £13,229 (2018 - £5,258) were payable to the fund at the 30 June 2019 and are included in creditors.

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# PELGAR INTERNATIONAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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### 24. Commitments under operating leases

At 30 June 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Land and Buildings</b>		
Not later than 1 year	294,109	207,892
Later than 1 year and not later than 5 years	1,176,436	795,388
Later than 5 years	308,368	166,553
	<u>1,778,913</u>	<u>1,169,833</u>

### Other

	2019 £	2018 £
Not later than 1 year	127,386	10,604
Later than 1 year and not later than 5 years	292,250	66,771
Later than 5 years	-	13,911
	<u>419,636</u>	<u>91,286</u>

### 25. Related party transactions

An amount of £43,353 (2018 - £39,743) was owed to Dr G Capel-Williams by the company at the balance sheet date.

### 26. Controlling party

The immediate parent undertaking is PelGar (Holdings) Limited, a company incorporated in England. The registered office of PelGar (Holdings) Limited is disclosed on the company information page.

The ultimate parent is PelGen Limited, a company incorporated in England. Copies of the holding company's accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Dr G Capel-Williams is the ultimate controlling party by virtue of control of PelGen Limited.