

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
REPORT OF THE BOARD OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

Company Registration No. 02145809
(England and Wales)

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NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
COMPANY INFORMATION

Board of management

G C Dick (Chairman)
E W Hird (Vice-Chairman)
E Torr (Vice-Chairman)
H J Wilder (Vice-Chairman)
D A Biland (Treasurer)
J A Eaton
D N Ellerton
J Hanley
D S Hinton
S A Huggett
J W Hungerford
D J Margetson
G Bell (ex officio)
B Butterworth (ex officio)
K Quine (ex officio)

Secretary

P A Sketchley

Company number

02145809

Registered office

3 Crossfield Chambers
Gladbeck Way
Enfield
Middlesex
EN2 7HF

Auditors

WKH
22/24 Kneesworth Street
Royston
Herts
SG8 5AA

Bankers

Royal Bank of Scotland
600 Gorgie Road
Edinburgh
EH11 3XP

Solicitors

Metson Cross & Co
Quality Court
Chancery Lane
London
WC2A 1HP

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED

LIMITED BY GUARANTEE

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NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
REPORT OF THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

The Board of Management presents its report and financial statements for the year ended 31 December 2006

Review of the year

The principal activity of the company continued to be that of a trade association representing the companies involved in the research, development, manufacture, production, sale, provision of services in regard to and use of products for treatment and prevention of disease and treatments for the welfare and economic production of animals

During 2006 there was small market growth, with a further small shift away from farm animals towards companion animals

The switch of the Sales Survey from 'net' to 'net/net' basis (i.e. after deduction of all rebates and discounts) was completed. This will be used as the basis for subscription income from 2007

Having worked with the Veterinary Medicines Directorate in establishing the new Veterinary Medicines Regulations in 2005, this year saw a more stable regulatory environment, with relatively minor changes introduced in the Veterinary Medicines Regulations 2006

This gave NOAH the opportunity to focus more resources on strengthening relationships with government (particularly DEFRA) and other stakeholders to promote the benefits of animal medicines. A long range planning meeting for members was held in September, which cemented this approach into the Association's objectives and strategy

For farm animal medicines, efforts focussed particularly on working with others on implementation of the Animal Health and Welfare strategy and farm health planning

A Food Chain Seminar "Healthy Animals Safe Food" was organised at the end of November. This attracted a wide range of delegates from the food industry. This was a very successful event, leading to a lot of positive press coverage and opening up opportunities for further dialogue with the food production industry and government in 2007

For companion animal medicines, NOAH began a Companion Animal Disease Awareness and Prevention Campaign, which will continue into 2007, aimed at increasing awareness in pet owners of the need to protect their animals through vaccination and parasite control. A successful Pet Event was organised in May by NOAH at the House of Commons, where representatives from human/animal charities were able to demonstrate the positive role healthy pets play in society, particularly as assistance animals

NOAH also continued as a trustee of the National Pet Week charity, whose main public activity in promoting responsible pet ownership took place during May. Later in the year the charity extended its activity for the forthcoming year to National Pet Month, and work proceeded with the other trustees and a PR agency to prepare for a more active and productive period of raising awareness during 2007

Results

The results for the year are set out on page 6

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

Membership was enhanced by one new Associate member, but two Corporate members and three Associate members left during 2006

The online version of the Data Sheet Compendium continues to be very popular with 1.9 million pages viewed during 2006, and it appears to have strengthened NOAH's reputation with stakeholders as a reliable source of information on medicines. Investment in the systems was focussed on improving the ease of administration for company users and NOAH staff, and this led to a smooth production of the 2007 book. Further investment in the autumn of 2006 should make production of the 2008 book even easier.

The delay in launching of the 2006 Compendium until early 2006, coupled with good cost control of production of the 2007 edition and increased company participation and book sales meant that net sales income for the year was £153,000, some £126,000 better than budget.

There were some additional office costs relating to redecorating and replacing office furniture.

All key cost centres were close to budget except for Communication costs, where costs in excess of budget were incurred by the Food Chain Conference held in November. This principally related to market research carried out by the Institute of Grocery Distribution on consumer attitudes to the use of medicines in food animals, the results of which were launched at this conference.

In summary the year-end accounts showed a surplus of £126,966 against a budgeted deficit of £27,723.

The Board agreed in September that following a series of good years, the Association's cash reserves were greater than were needed. Their proposal to the EGM in November was agreed whereby a target would be set for cash reserves at a year-end to be 40% of the expenditure for that year, and that any predicted excess should be rebated to members in the first quarter of the year in question, with effect from 2007.

Board of Management - Membership

At the AGM in April the Officers elected were Mr Graham Dick (Bayer) as Chairman, Mr Bill Hird (Elanco Animal Health), Mr Ed Torr (Arnolds) and Mr Howard Wilder (Genitrix) as Vice-Chairman, and Mr Graham Davenport (Merial) as Treasurer. There being no eligible candidates, no-one was elected as Past Chairman.

At the AGM the following were elected as Elected Board Members: Mr Jim Eaton (Pfizer), Mr David Hinton (VetXX) and Mr Danny Margetson (Novartis). They joined Mr David Ellerton (Virbac), Mr John Hanley (Fort Dodge), Dr Sue Huggett (Beaphar), and Mr Jim Hungerford (Intervet) whose three-year terms continued.

The Association wishes to express its thanks to all those members who gave up their valuable time to serve on the Board, Committees and assist in other Association activities throughout the year.

The Board expresses its considerable thanks to all the NOAH staff for all their hard work and commitment during another extremely busy and successful year for the Association.

	2006	2005
	£	£
During the year the company made the following payments:		
Charitable donations	100	-

**NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that WKH be reappointed as auditors of the company will be put to the Annual General Meeting

Directors' responsibilities

Company law requires the Members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Board of Management are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

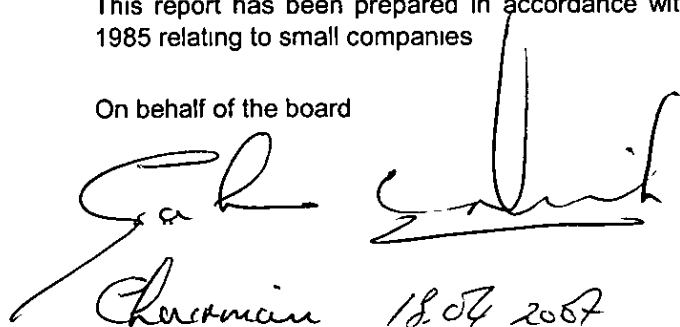
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board



Chairman 18.07.2007

**NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT**

TO THE SHAREHOLDERS OF NATIONAL OFFICE OF ANIMAL HEALTH LIMITED

We have audited the financial statements of National Office Of Animal Health Limited for the year ended 31 December 2006 set out on pages 6 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 11 to the financial statements.

**NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE**

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF NATIONAL OFFICE OF ANIMAL HEALTH LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

WMH
.....

1 May 2007

Chartered Accountants
Registered Auditor

22/24 Kneesworth Street
Royston
Herts
SG8 5AA

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

		2006	2005
	Notes	£	£
Income		756,374	591,049
Administrative expenses		(647,756)	(580,788)
Net surplus	2	108,618	10,261
Interest receivable		22,251	21,289
Surplus for the year before taxation		130,869	31,550
Taxation	4	(3,903)	(2,681)
Surplus for the year after taxation	9	126,966	28,869

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	5		181,683		183,461
Current assets					
Stocks		13,197		9,171	
Debtors	6	118,799		181,455	
Cash at bank and in hand		524,997		512,959	
		<u>656,993</u>		<u>703,585</u>	
Creditors: amounts falling due within one year	7	<u>(193,037)</u>		<u>(368,373)</u>	
Net current assets			463,956		335,212
Total assets less current liabilities			<u>645,639</u>		<u>518,673</u>
Represented by					
General reserves	9		<u>645,639</u>		<u>518,673</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on


Chairman


Treasurer

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Income

Income is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Freehold property	39.5 years on a straight line basis
Computer equipment	25% on straight line basis
Furniture and office equipment	15% on reducing balance basis

1.4 Operating leases

Rentals payable under operating leases are charged to the income and expenditure account as and when payments fall due

1.5 Stock

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Contribution to pension funds

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account

2 Net surplus	2006	2005
	£	£
Net surplus is stated after charging		
Depreciation of tangible assets	10,677	17,565
Auditors' remuneration	1,500	1,500
	<u> </u>	<u> </u>
3 Investment income	2006	2005
	£	£
Bank interest	22,251	21,289
	<u> </u>	<u> </u>

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

4	Taxation	2006	2005
		£	£
	U K current year taxation		
	U K corporation tax	3,903	2,681

As the company is a non-profit making organisation the tax charge represents the tax due on investment income only

5	Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
		£	£	£
	Cost or valuation			
	At 1 January 2006	205,000	44,143	249,143
	Additions	-	8,899	8,899
	At 31 December 2006	205,000	53,042	258,042
	Depreciation			
	At 1 January 2006	36,326	29,356	65,682
	Charge for the year	5,188	5,489	10,677
	At 31 December 2006	41,514	34,845	76,359
	Net book value			
	At 31 December 2006	163,486	18,197	181,683
	At 31 December 2005	168,674	14,787	183,461

The property at 3 Crossfield Chambers was revalued in April 1999 at £205,000, being the open market value on the basis of existing use. The deficit of £60,732 arising on the revaluation was recognised as an exceptional item in the income and expenditure account. At the present time the officers have no intention of revaluing the property.

6	Debtors	2006	2005
		£	£
	Trade debtors	108,057	117,133
	Other debtors	10,742	64,322
		118,799	181,455

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

7 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank loans and overdrafts	752	947
Trade creditors	86,036	14,310
Taxation and social security	31,150	50,575
Payments received on account	48,723	182,866
Other creditors	26,376	119,675
	<u>193,037</u>	<u>368,373</u>

8 Pension costs

The company operates a defined contribution 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 £31,341 (2005 - £28,464).

9 Statement of movements on income and expenditure account

	General reserves
	£
Balance at 1 January 2006	518,673
Retained surplus for the year	126,966
Balance at 31 December 2006	<u>645,639</u>

10 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007:

	2006	2005
	£	£
Operating leases which expire		
Within one year	1,095	4,201
Between two and five years	4,335	-
	<u>5,430</u>	<u>4,201</u>

**NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

11 Auditors' Ethical Standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

12 Control

The company is controlled by the members of the Board of Management. These members are representatives of the member companies, with no one member or company having overall control.

13 Liability of members

The company, being Limited by Guarantee, has no share capital. In the event of the company being wound up, the maximum liability of any member towards the debts or liabilities of the company is as laid down in the Memorandum and Articles of Association.

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

		2006		2005
	£	£	£	£
Income				
Subscriptions		556,536		535,960
Surplus on events		3,713		2,054
Other income		153,485		43,345
Code of practice		42,640		9,690
		<u>756,374</u>		<u>591,049</u>
Administrative expenses		<u>(647,756)</u>		<u>(580,788)</u>
Surplus for the year before interest		108,618		10,261
Interest receivable				
Bank interest received		22,251		21,289
Surplus for the year before taxation	17 30%	<u>130,869</u>	5 34%	<u>31,550</u>

NATIONAL OFFICE OF ANIMAL HEALTH LIMITED
LIMITED BY GUARANTEE
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 £	2005 £
Administrative expenses		
Staff costs	315,647	296,025
Premises	19,438	17,855
Office services	50,549	44,060
Travel and accomodation	34,674	36,075
Public relations costs	133,940	76,633
Professional fees including sales survey	17,098	35,567
Auditors' remuneration	1,500	1,500
Code of practice	19,017	8,822
IFAH and IFAH Europe subscriptions	45,216	46,686
Depreciation - freehold property	5,188	5,188
Depreciation - computer equipment	3,193	7,129
Depreciation - furniture and office equipment	2,296	1,633
Loss on disposal of fixed assets	-	3,615
	<u>647,756</u>	<u>580,788</u>