

**Hep Oils Limited**

**Directors' report and consolidated financial statements**

**Year ended 31 March 2022**

**Company registered number 08943077**



**Hep Oils Limited**

**Directors' report and consolidated financial statements**

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## **Hep Oils Limited**

### **Directors and other information**

**Directors**

J. Burton  
T. Kirwan

**Company secretary**

J. Jennings

**Registered office**

Battlefield Road  
Harlescott  
Shrewsbury  
Shropshire  
SY1 4AH  
England

**Solicitors**

Clyde & Co.  
The St Botolph Building  
138 Houndsditch  
London  
EC3A 7AR

**Auditor**

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

**Registered number**

08943077

## Hep Oils Limited

### Strategic report

The directors submit the strategic report of the Group for the year ended 31 March 2022.

#### Principal activities

The principal activity of the Group was livestock dealing and meat processing. On 1 April 2021, the Company acquired SJF Holdings Limited and Janan Meat Limited, its operating subsidiary. On 29 November 2021, the trade, assets and liabilities of the operating subsidiary company were hived-up into another group company at net book value and the company ceased to trade.

#### Business review

The results for the year are set out on page 11.

The loss for the year ended 31 March 2022 amounted to £0.4m (2021: £nil).

The main operations of the Group are located in the UK.

On 1 April 2021, the Company acquired SJF Holdings Limited and Janan Meat Limited, its operating subsidiary. On 29 November 2021, the trade, assets and liabilities of the operating subsidiary company were hived-up into another group company at net book value and the company ceased to trade.

#### Key performance indicators

The following key indicators are relevant in reviewing the development, performance and position of the business:

- i) *Turnover:*  
Turnover for the year ended 31 March 2022 amounted to £39.9m (2021: £nil). The company ceased to trade on 29 November 2021.
- ii) *Operating loss:*  
During the year ended 31 March 2022 the Group's operating loss amounted to £0.2m (2021: £nil).
- iii) *Net assets:*  
At 31 March 2022 the Group's net assets amounted to £8.1m (2021: £8.5m). The directors are satisfied with the year end position of the Group.
- iv) *Environmental factors:*  
While certain of our operating activities are subject to environmental regulation, there were no significant environmental factors impacting on the results for the year.
- v) *Employee factors:*  
There were no significant employee factors impacting on the results for the year. The Group continues to put an emphasis on maintaining high safety standards at all sites.

#### Principal risks and uncertainties

The Group's operations expose it to a variety of financial risks that include price risk, supply risk, foreign exchange risk, credit risk and liquidity risk.

##### *Price risk*

The Group is exposed to commodity price risk as a result of its operations. This exposure is managed by avoiding long term fixed price contracts. The Group enters into forward sale contracts regarding the sale of tallow and meal and forward purchase contracts regarding the purchase of raw materials.

##### *Supply risk*

Balancing the risks associated with demand for products and available supply of raw materials is mitigated by the Group through maintaining strong relationships with suppliers, preserving supplies, and also increasing capacity within the Group to collect greater quantities of raw materials from independent and national account suppliers.

## Hep Oils Limited

### Strategic report (continued)

#### Principal risks and uncertainties (continued)

##### *Foreign exchange risk*

The Group is exposed to minimal foreign exchange risks in the normal course of business.

##### *Credit risk*

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit insurance is taken out on certain customer categories, where available. The Group has an active credit control department with designated staff who regularly review and follow up all outstanding accounts.

##### *Liquidity risk*

The Group actively maintains adequate cash balances and has access to intercompany funding to ensure the Group has sufficient available funds for operations, planned expansions and business development opportunities.

##### *Covid 19*

Thankfully, the Group didn't experience any significant ongoing disruption to its business from the impact of the Covid-19 pandemic during the year under review. The Board continues to monitor the evolution of the pandemic including the emergence of new strains of the Covid-19 virus.

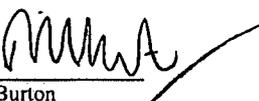
#### **Compliance with Section 172 of the UK Companies Act 2006**

As required by s172 of the UK Companies Act 2006, the Directors of the company endeavour to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its Shareholders, and in doing this, having regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Group's employees;
- need to foster the Group's business relationships with suppliers, customers and others;
- impact of the Group's operations on the community and environment;
- Group's reputation for high standards of business conduct; and
- need to act fairly as between members of the Group.

Understanding the Group's stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making.

On behalf of the board

  
\_\_\_\_\_  
J. Burton  
Director

7 February 2023

## Hep Oils Limited

### Directors' report

#### Dividend paid

The Company did not pay a dividend in the current year or the prior year.

#### Directors

The following directors served during the year unless otherwise noted:

J. Burton  
T. Kirwan

The directors are not required by the Articles of Association to retire by rotation.

#### Secretary

The following secretaries served during the year:

J. Jennings

#### Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests. It is Company policy to keep employees informed of developments and performance across their business units and the Company.

#### Payments to creditors

It is the Group's normal practice to make payments to suppliers in accordance with agreed terms, provided that the supplier has performed in accordance with the relevant terms and conditions. As a large part of purchases are made from Group companies, the Group does not believe it is meaningful to disclose third party creditor days.

#### Charitable and political contributions

No contributions were made by the company during the year or the prior year.

#### Post balance sheet events

There have been no significant post balance sheet events affecting the Group.

#### Future developments

There are no planned developments in future years as the operating subsidiary is dormant.

#### Disclosure of information to auditor

The directors confirm that:

- (1) so far as the directors are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- (2) the directors have taken all the steps that one ought to have taken as a director in order to make oneself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

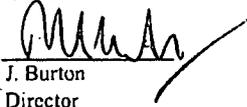
#### Auditor

The auditors, KPMG have signified their willingness to continue in office in accordance with section 487 of the Companies Act 2006.

#### Registered office

The address of the registered office is Harlescott, Battlefield Road, Shrewsbury, Shropshire, England, SY1 4AH.

On behalf of the board

  
J. Burton  
Director

7 February 2023

## Hep Oils Limited

### Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the directors' report, strategic report and the Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Company financial statements for each financial year. Under that law they have elected to prepare the Company financial statements in accordance with FRS 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 the profit or loss for that year. In preparing the Company financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



J. Burton  
Director

7 February 2023



KPMG  
Audit  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the members of Hep Oils Limited

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Hep Oils Limited ('the Group') for the year ended 31 March 2022 set out on pages 11 to 22, which comprise the consolidated profit and loss account and other comprehensive income, consolidated and company balance sheet, consolidated and company statement of changes in equity, consolidated cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'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*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included: inquiring with the directors as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the directors have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading Board/audit committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### **Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion, the information given in the strategic report and the directors' report is consistent with the financial statements;
- in our opinion, the strategic report and the directors' report have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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; or

We have nothing to report in these respects.



## **Respective responsibilities and restrictions on use**

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

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

---

***Tom McEvoy (Senior Statutory Auditor)***

***For and on behalf of KPMG***

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St. Stephen's Green

Dublin 2

Ireland

7 February 2023

## Hep Oils Limited

### Consolidated profit and loss account and other comprehensive income

for the year ended 31 March 2022

		Year ended 31 March 2022 £	Year ended 31 March 2021 £
	Note		
Turnover	2	39,929,086	-
Cost of sales		<u>(39,367,889)</u>	<u>-</u>
<b>Gross profit</b>		561,197	-
Administrative expenses		<u>(750,869)</u>	<u>-</u>
<b>Operating loss</b>	3	(189,672)	-
Interest payable and similar charges (net)	6	<u>(459,432)</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		(649,104)	-
Tax credit on loss on ordinary activities	7	209,454	-
<b>Loss for the year</b>		<u><u>(439,650)</u></u>	<u><u>-</u></u>

All income in the profit and loss account relates to continuing activities.

The notes on pages 17 to 22 form part of the financial statements.

The Group incurred no items of other comprehensive income in the current financial year or previous financial year other than those dealt with in the profit and loss account. Accordingly a separate statement of other comprehensive income has not been presented.

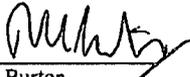
## Hep Oils Limited

### Consolidated balance sheet at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
<b>Current assets</b>			
Debtors	11	8,068,388	8,508,038
<b>Net assets</b>		<u>8,068,388</u>	<u>8,508,038</u>
<b>Capital and reserves</b>			
Called up share capital	12	108	108
Profit and loss account		8,068,280	8,507,930
<b>Shareholders' funds - equity</b>		<u>8,068,388</u>	<u>8,508,038</u>

The notes on pages 17 to 22 form part of the financial statements.

These financial statements were approved by the board of directors on 7 February 2023 and were signed on its behalf by:

  
J. Burton  
Director

Company registered number 08943077

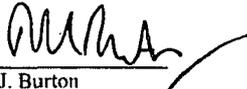
## Hep Oils Limited

### Company balance sheet at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
<b>Fixed assets</b>			
Intangible assets	8	-	-
Financial assets	9	5,975	-
		<u>5,975</u>	<u>-</u>
<b>Current assets</b>			
Debtors	12	8,051,588	8,508,038
<b>Net assets</b>		<u>8,057,563</u>	<u>8,508,038</u>
<b>Capital and reserves</b>			
Called up share capital	13	108	108
Profit and loss account		8,057,455	8,507,930
<b>Shareholders' funds - equity</b>		<u>8,057,563</u>	<u>8,508,038</u>

The notes on pages 17 to 22 form part of the financial statements.

These financial statements were approved by the board of directors on ~~7~~ February 2023 and were signed on its behalf by:

  
J. Burton  
Director

Company registered number 08943077

**Hep Oils Limited**

**Consolidated statement of changes in equity**

**for the year ended 31 March 2022**

	Called up share capital £	Profit and loss account £	Total shareholder's equity £
Balance at 31 March 2021	108	8,507,930	8,508,038
<b>Total comprehensive income for the year</b>			
Result for the year	-	(439,650)	(439,650)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(439,650)	(439,650)
Dividends paid	-	-	-
<b>Balance at 31 March 2022</b>	<u>108</u>	<u>8,068,280</u>	<u>8,068,388</u>

**Consolidated statement of changes in equity**

**for the year ended 31 March 2021**

	Called up share capital £	Profit and loss account £	Total shareholder's equity £
Balance at 31 March 2020	108	8,507,930	8,508,038
<b>Total comprehensive income for the year</b>			
Result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Dividends paid	-	-	-
<b>Balance at 31 March 2021</b>	<u>108</u>	<u>8,507,930</u>	<u>8,508,038</u>

**Hep Oils Limited**

**Company statement of changes in equity**

**for the year ended 31 March 2022**

	Called up share capital £	Profit and loss account £	Total shareholder's equity £
Balance at 31 March 2021	108	8,507,930	8,508,038
<b>Total comprehensive income for the year</b>			
Result for the year	-	(450,475)	(450,475)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	(450,475)	(450,475)
Dividends paid	-	-	-
<b>Balance at 31 March 2022</b>	<u>108</u>	<u>8,057,455</u>	<u>8,057,563</u>

**Company statement of changes in equity**

**for the year ended 31 March 2021**

	Called up share capital £	Profit and loss account £	Total shareholder's equity £
Balance at 31 March 2020	108	8,507,930	8,508,038
<b>Total comprehensive income for the year</b>			
Result for the year	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
Dividends paid	-	-	-
<b>Balance at 31 March 2021</b>	<u>108</u>	<u>8,507,930</u>	<u>8,508,038</u>

**Hep Oils Limited**  
**Consolidated cash flow statement**  
**for the year ended 31 March 2022**

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
<b>Cash flows from operating activities</b>		
Loss for the year	(439,650)	-
Interest payable and similar charges	459,432	-
Taxation	(209,454)	-
Decrease in trade and other debtors	657,534	-
Interest paid	(8,957)	-
Tax paid	(10,318)	-
<b>Net cash inflow from operating activities</b>	<u>448,587</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Investment in subsidiary company	(448,587)	-
<b>Net cash (outflow) from investing activities</b>	<u>(448,587)</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 31 March 2021	-	-
<b>Cash and cash equivalents at 31 March 2022</b>	<u>-</u>	<u>-</u>

## Hep Oils Limited

### Notes forming part of the financial statements

#### 1. Accounting policies

Hep Oils Limited (the "Company") and its subsidiaries (the "Group") is a private company incorporated, domiciled and registered in the UK. The registered number of the company is 08943077 and the address of its registered office is Harlescott, Battlefield Road, Shrewsbury, Shropshire, England, SY1 4AH.

#### Basis of preparation

These financial statements are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")*. The presentation currency of these financial statements is pounds Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

No judgements have been made by the directors, in the application of these accounting policies that would have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

The financial statements are prepared on the historical cost basis unless otherwise stated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

#### Foreign currency

The presentation currency of these financial statements is pounds sterling.

#### Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### Tangible fixed assets

Tangible fixed assets, with the exception of land, are carried at cost less accumulated depreciation. Land is not depreciated.

Depreciation is calculated to write off the cost of tangible fixed assets on a straight line basis over their expected useful lives which are as follows:

Buildings	5% - 10% straight line
Plant & equipment	10% - 25% straight line

## Hep Oils Limited

### Notes (continued)

#### 1. Accounting policies (continued)

##### Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Goodwill being the excess of consideration over the fair values of the identifiable assets and liabilities of an acquired undertaking, is capitalised and the related amortisation based on its useful life is charged against operating profits.

##### *Amortisation*

Amortisation is charged to the profit and loss account on a straight line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

Goodwill	20 years
----------	----------

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

##### Stocks

Stocks are valued at the lower of cost and net realisable value on a first in, first out basis. Cost is determined by reference to purchase price together with all production related costs incurred in bringing the product to its present location and condition. Net realisable value comprises the actual or expected selling price less all costs to be incurred in marketing, selling and distribution. Provision is made, where necessary, for obsolete and slow moving stock.

##### Pensions

Contributions to defined contribution schemes are charged to the profit and loss account as incurred.

##### Expenses

###### *Interest payable*

Interest payable and similar charges includes interest payable, finance charges on liabilities recognised in profit or loss using the effective interest method.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

##### Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and where it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

##### Taxation

Corporation tax is provided on taxable profits at the current rate as adjusted for Group relief. Tax losses utilised for group relief are transferred between group members. Charges for group relief are determined on a case by case basis.

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits or losses and its results as stated in the financial statements that arise from inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which future reversals of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Hep Oils Limited

### Notes (continued)

#### 2. Turnover and segmental reporting

Turnover represents the invoiced value of goods sold and services supplied to third parties, exclusive of value added tax. The analysis of turnover by activity is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Activity:		
Livestock dealing and meat processing	<u>39,929,086</u>	<u>-</u>

#### Segmental information

Further information relating to the various segments of the Company's business is not disclosed as the directors are of the opinion that disclosure of such information would be seriously prejudicial to the interests of the Company.

#### 3. Statutory and other information

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Operating loss is stated after charging /(crediting):		
Depreciation on tangible fixed assets	350,385	-
Operating lease rentals:		
- plant and equipment	<u>109,244</u>	<u>-</u>

Auditor remuneration was borne by another group company in the current year.

#### 4. Staff numbers and costs

The average number of persons employed by the Company (including executive directors), during the year, analysed by category, was as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	Number	Number
Management and administration	18	-
Production and distribution	<u>152</u>	<u>-</u>
	<u>170</u>	<u>-</u>

The aggregate remuneration costs of these employees were as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
	£	£
Wages and salaries	2,498,171	-
Social welfare costs	245,840	-
Pension and related costs	<u>42,458</u>	<u>-</u>
	<u>2,786,469</u>	<u>-</u>

#### 5. Emoluments of directors

Directors remuneration was borne by another group company in the current year and prior year.

Hep Oils Limited

Notes (continued)

6. Interest payable and receivable	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Bank interest and charges	459,432	-
	<u>459,432</u>	<u>-</u>

7. Tax on profit on ordinary activities	Year ended 31 March 2022 £	Year ended 31 March 2021 £
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(a) Analysis of tax credit for year

<b>Current tax:</b>		
Corporation tax on profit for the year	10,318	-
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(219,772)	-
<b>Tax credit for the year</b>	<u>(209,454)</u>	<u>-</u>

	Year ended 31 March 2022			Year ended 31 March 2021		
	Current tax £	Deferred tax £	Total tax £	Current tax £	Deferred tax £	Total tax £
Recognised in profit and loss account	10,318	(219,772)	(209,454)	-	-	-
	<u>10,318</u>	<u>(219,772)</u>	<u>(209,454)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The difference between the total tax shown above and the amount calculated by applying the UK corporation tax rate to the profit before taxation is as follows:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Profit/(loss) on ordinary activities before taxation	(649,104)	-
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 19% (2021: 19%)	(123,330)	-
Effects of:-		
Expenses not deductible/income not taxable (net)	127,412	-
Prior year adjustment	(209,454)	-
Group relief surrender/(claim)	(4,082)	-
<b>Tax credit for the year</b>	<u>(209,454)</u>	<u>-</u>

(c) Deferred tax assets and (liabilities)

	Assets		Liabilities		Net	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Property, plant and equipment	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Hep Oils Limited

Notes (continued)

8. Intangible assets  
Company

	Goodwill £
<b>Cost</b>	
Acquired during the year	448,587
At 31 March 2022	<u>448,587</u>
<b>Amortisation</b>	
Amortised during the year	448,587
At 31 March 2022	<u>448,587</u>
<b>Net book value</b>	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>-</u>

9. Tangible assets  
Group

	Land & buildings £	Plant & equipment £	Total £
<b>Cost</b>			
Acquired during the year	5,196,498	4,722,782	9,919,280
Transfer to group company	(5,196,498)	(4,722,782)	(9,919,280)
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>			
Acquired during the year	2,912,028	3,856,334	6,768,362
Charge for the year	160,268	190,117	350,385
Transfer to group company	(3,072,296)	(4,046,451)	(7,118,747)
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

10. Financial assets

	31 March 2022 £	31 March 2021 £
<b>Company</b>		
At start of the year	-	-
Acquired during the year	5,975	-
	<u>5,975</u>	<u>-</u>

The subsidiaries are SJF Holdings Limited and Janan Meat Limited, dormant companies, whose registered office is Harlescott, Battlefield Road, Shrewsbury, Shropshire, England, SY1 4AH.

## Hep Oils Limited

### Notes (continued)

11. Debtors Group	31 March 2022 £	31 March 2021 £
Amounts due from group companies	8,068,388	8,508,038
	8,068,388	8,508,038
<b>Debtors Company</b>	<b>31 March 2022 £</b>	<b>31 March 2021 £</b>
Amounts due from group companies	8,051,588	8,508,038
	8,051,588	8,508,038
Amounts due from group companies are unsecured, interest free and repayable on demand		
<b>12. Called up share capital</b>	<b>31 March 2022 £</b>	<b>31 March 2021 £</b>
<b>Allotted, called up and fully paid:</b>		
100 Ordinary shares of £1 each	100	100
8 B Ordinary shares of £1 each	8	8
	108	108

The Ordinary shares carry all of the voting rights. The B Ordinary shares carry no voting rights.

#### 13. Group membership and ultimate controlling party

The company is a subsidiary of ABP Food Group Unlimited, a private unlimited company registered in Jersey. Omcath Unlimited, a company incorporated in Jersey, is the immediate parent company. The smallest group into which the results of the company are consolidated is Hep Oils Limited. The largest group into which the results of the company are consolidated is ABP Food Group Unlimited.

The Goodman Family Trusts, or entities controlled by them, have a beneficial interest in 100% of the share capital of the Group.

#### 14. Related party transactions

The Company has availed of the exemption in FRS102.33.1A from the requirement to disclose transactions with wholly owned subsidiaries of ABP Food Company Unlimited.

#### 15. Post balance sheet events

There have been no significant post balance sheet events affecting the Company or the Group.

#### 16. Accounting estimates and judgements

No judgements have been made by the directors, in the application of these accounting policies that would have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.