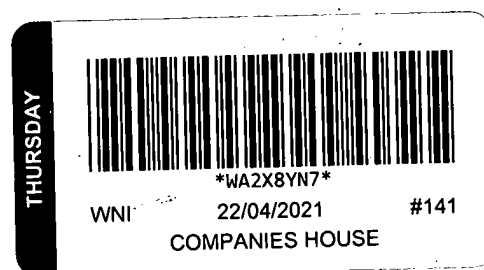


**Hall Silos Limited**

**Annual Report**

**Year ended 31 July 2020**

**Registered Number: NI 025675**



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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

S. Coyle  
T. O'Mahony

**Secretary**

Origin Secretarial Limited

**Registered Office**

4a Campsie Real Estate  
McLean Road  
Londonderry  
BT47 3PF

**Registered number:** NI 025675

**Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

## STRATEGIC REPORT

The directors present their Strategic Report on the company for the financial year ended 31 July 2020.

### Principal activity, business review and future developments

The principal activity of the company is that of grain handling and storage at its facilities based in Belfast.

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

### Principal risks and uncertainties

The Board and senior management have invested significant time and resources in identifying specific risks in the company and in developing a culture of balanced risk minimisation. To facilitate this, the company has formal risk assessment processes in place through which risks and mitigating controls are thoroughly evaluated.

The risks identified fall broadly into two categories: strategic/commercial and operational.

#### Strategic and commercial

The most significant strategic and commercial risks facing the company are:

- unforeseen changes in customer demand patterns,
- changes in government legislation regarding the composition of agricultural products, and
- the impact of competitor activity
- risks associated with the UK's referendum decision to leave the EU ('Brexit').

The company addresses these by focusing on research and development and product innovation to ensure that customer and consumer requirements are being anticipated and met on a continuing basis. The company also closely monitors emerging changes to regulations or legislation on an ongoing basis. The attainment of the highest level of product quality and customer service are also core to reducing the impact of these risks.

With regard to Brexit, management are continually monitoring the potential impact on all of the company's operations. Any potential developments, including new information and policy indications from the UK Government and the EU, will be reviewed on an ongoing basis with a view to taking appropriate actions targeted at managing and, where possible, mitigating the consequences.

#### Operational

Operational risks facing the company are:

- the risk of failure to address increasing compliance requirements particularly in the areas of health and safety, emissions and effluent control, and
- the loss of a significant operational site through natural catastrophe or act of vandalism.

These types of risks are mitigated through the establishment of thorough hygiene and health and safety systems, environmental/discharge controls, auditing of supplier facilities and ensuring product traceability. The company also places a strong emphasis on ensuring that site security measures are robust. In addition, the Board is satisfied that significant management attention is given to the development of comprehensive disaster recovery plans.

The Company has limited exposure to the impact of the recent global outbreak of the Covid-19 virus pandemic.

This crisis is unprecedented and as a result, there is no way of predicting how long the pandemic will last and what the longer-term impact of the pandemic will be on the economy. The Company is continuing to actively monitor the situation in order to take the necessary steps to mitigate the impact of the pandemic on operations.

#### On behalf of the board

Director:

  
S. Coyle

Date:

9 December 2020

## DIRECTORS' REPORT

The directors present their report and audited financial statements of the company for the year ended 31 July 2020.

### Results for the year

The Profit and Loss Account and the Balance Sheet are set out on pages 9 and 10 respectively. The profit for the year before taxation amounted to Stg£322,464 (2019: Profit Stg£1,017,111). Total equity as at 31 July 2020 amounted to Stg£4,807,239 (2019: Stg£4,509,590).

No dividend was paid during the current financial year (2019: Stg£ Nil).

### Directors and secretary

The names of the persons who were directors at any time during the year ended 31 July 2020 are set out below. Unless indicated otherwise they served as directors for the entire year.

#### *Directors*

S. Coyle

P. Dunne (resigned 19 November 2019)

T. O'Mahony

#### *Secretary*

Origin Secretarial Limited

In accordance with the Articles of Association, the directors are not required to retire by rotation.

### Political donations

The company did not make any political donations for the year (2019: Stg£Nil).

### Post balance sheet events

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

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**DIRECTORS' REPORT - continued**

**Disclosure of information to auditors**

The directors in office at the date of this report have each confirmed that:

- So far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

**By order of the board**

**Director:**  **S. Coyle**

**Date:** **9 December 2020**



## ***Independent auditors' report to the members of Hall Silos Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Hall Silos Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 July 2020; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for 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 to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or



material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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### **Responsibilities for the financial statements and the audit**

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for 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.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.





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## Other required reporting

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### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Paul O'Connor'.

Paul O'Connor (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
Dublin  
Ireland  
9 December 2020

**PROFIT AND LOSS ACCOUNT**  
For the financial year ended 31 July 2020


	Note	2020 £	2019 £
<b>Turnover</b>	5	<b>2,599,786</b>	2,705,942
Cost of sales		<u>(2,049,779)</u>	<u>(1,454,483)</u>
<b>Gross profit</b>		<b>550,007</b>	1,251,459
Administrative expenses		<u>(227,608)</u>	<u>(194,931)</u>
<b>Operating profit</b>	6	<b>322,399</b>	1,056,528
Exceptional items	8	-	(39,486)
Interest receivable and similar income		<u>65</u>	<u>69</u>
<b>Profit before taxation</b>		<b>322,464</b>	1,017,111
Tax on profit	9	<u>(24,815)</u>	<u>(52,514)</u>
<b>Profit for the financial year</b>		<u><b>297,649</b></u>	<u>964,597</u>

The company has no other comprehensive income other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

**BALANCE SHEET**  
**As at 31 July 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	2,742,277	2,929,531
Financial assets	11	5,000	5,000
		<u>2,747,277</u>	<u>2,934,531</u>
<b>Current assets</b>			
Debtors	12	7,483,874	6,506,842
Cash at bank and in hand		63,427	57,859
		<u>7,547,301</u>	<u>6,564,701</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	13	<u>(5,366,275)</u>	<u>(4,896,433)</u>
<b>Net current assets</b>		2,181,026	1,688,268
<b>Total assets less current liabilities</b>		4,928,303	4,602,799
Provision for liabilities	14	<u>(121,064)</u>	<u>(93,209)</u>
<b>Net assets</b>		<u>4,807,239</u>	<u>4,509,590</u>
<b>Capital and reserves</b>			
Called up share capital – presented as equity	15	2	2
Profit and loss account		<u>4,807,237</u>	<u>4,509,588</u>
<b>Total equity</b>		<u>4,807,239</u>	<u>4,509,590</u>

The financial statements on pages 9 to 21 were approved by the board of directors on 9 December 2020 and were signed on its behalf by:

Director  S. Coyle

Date: 9 December 2020

Halls Silos Limited  
Registered number NI025675

**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 31 July 2020**

	Called up share capital Stg£	Profit and loss account Stg£	Total Stg£
Balance at 1 August 2018	2	3,544,991	3,544,993
Profit for the financial year	-	964,597	964,597
<b>Balance as at 31 July 2019</b>	<b>2</b>	<b>4,509,588</b>	<b>4,509,590</b>
Balance at 1 August 2019	2	4,509,588	4,509,590
Profit for the financial year		297,649	297,649
<b>Balance as at 31 July 2020</b>	<b>2</b>	<b>4,807,237</b>	<b>4,807,239</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

The principal activity of the company is that of grain handling and storage at its facilities based in Belfast. The company is incorporated as a company limited by shares in the United Kingdom. The address of the registered office is 4A Campsie Real Estate, McLean Road, Londonderry, BT47 3PF.

Hall Silos Limited is a wholly owned subsidiary of Origin Enterprises UK Limited and of its ultimate parent, Origin Enterprises plc. It is included in the consolidated financial statements of Origin Enterprises plc which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

The smallest and largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Origin Enterprises plc. Copies of Origin Enterprises plc group financial statements may be obtained from 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland.

These financial statements are the company's separate financial statements for the year ended 31 July 2020.

### 2 Statement of compliance

The individual financial statements of Hall Silos Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

In preparing the financial statements, the directors have considered the going concern position. The directors are satisfied that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### (b) Foreign currency

The financial statements are presented in sterling (Stg£), the functional currency of the company.

Transactions during the year denominated in foreign currencies have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. There were no foreign currency gains or losses in the current or prior year.

## NOTES TO THE FINANCIAL STATEMENTS – continued

### 3 Summary of significant accounting policies – continued

#### (c) Taxation

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

##### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### (d) Financial assets

Financial assets consist of investments held in fellow group companies. These investments are held at historical cost less accumulated impairment losses.

#### (e) Tangible assets

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuations at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Depreciation is calculated on a straight line basis over the estimated useful working lives of the relevant tangible assets as follows:

Buildings	45 years
Plant and machinery	10 years

##### *Subsequent additions and major components*

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS – continued

### 3 Summary of significant accounting policies – continued

#### (f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities

#### (g) Turnover

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

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

The company mainly generates revenue from the storage and handling of grain. The company appointed its associated undertaking, West Twin Silos Limited, to act as undisclosed agent for the company in selling its products and services to third parties. West Twin Silos Limited has provided certain invoicing and related services to the company.

#### (h) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (i) Provisions and contingencies

##### (i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- i. restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- ii. provision is not made for future operating losses

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

## NOTES TO THE FINANCIAL STATEMENTS – continued

### 3 Summary of significant accounting policies – continued

#### (i) Provisions and contingencies - continued

##### (ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### (j) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including trade and other receivables, amounts owed by group undertakings and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently measured at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, amounts owed to group undertakings, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.



## NOTES TO THE FINANCIAL STATEMENTS – continued

### 3 Summary of significant accounting policies – continued

#### (j) Financial instruments - continued

##### (ii) Financial liabilities - continued

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### (k) Share capital presented as equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (l) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

#### (m) Exceptional items

Exceptional items include disposals of investments. Judgement is used in assessing the particular items which are disclosed as exceptional items taking into consideration their scale and nature

#### (n) Exemptions for qualifying entities under FRS 102

The company has elected to avail of a number of disclosure requirement exemptions available to qualifying entities as set out under FRS 102 paragraph 1.12(c) on the following basis;

- The company meets the definition of a 'Qualifying Entity' under FRS 102.
- Its ultimate parent company, Origin Enterprises plc, prepares group consolidated financial statements that include disclosures equivalent to those required by FRS 102. Note 1 gives further details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.
- The company otherwise applies the recognition, measurement and disclosure requirements of FRS 102.

In accordance with FRS 102 the company has availed of the following disclosure exemptions:

- The requirement of FRS 102 paragraph 4.12(a)(iv) to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period;
- The requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows; and
- The requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

### 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

## NOTES TO THE FINANCIAL STATEMENTS – continued

## 4 Critical accounting judgements and estimation uncertainty (continued)

## (a) Critical accounting estimates and assumptions (continued)

(i) *Impairment of debtors*

Management make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding amounts, recent correspondence and trading activity, and historical experience of cash collections. See note 12 for the net carrying amount of debtors.

## 5 Turnover

Turnover represents amounts invoiced by the company in respect of goods, services and commissions, excluding value added tax. All the turnover related to sales in the UK market.

The company appointed its associated undertaking, West Twin Silos Limited, to act as an undisclosed agent for the company in selling its products and services to third parties. West Twin Silos Limited has provided certain invoicing and related services to the company.

6 Operating profit	2020 Stg£	2019 Stg£
(a) Operating profit is stated after charging:		
Depreciation (note 10)	<u>209,638</u>	<u>212,771</u>
(b) Auditors' remuneration		
The auditors' remuneration was borne by a fellow group company.		

## 7 Employees and directors

All employee costs, together with future pension liabilities were borne by a related undertaking. Directors do not receive any remuneration in relation to the services they provide to this company.

8 Exceptional items	2020 Stg£	2019 Stg£
Loss on disposal of investment (note 11)	<u>-</u>	<u>39,486</u>
		<u>39,486</u>

## NOTES TO THE FINANCIAL STATEMENTS – continued

9 Income tax	2020 Stg£	2019 Stg£
(a) Tax expense included in profit and loss		
Current tax:		
UK corporation tax on profit for the financial year	16,105	36,251
Adjustment in respect of prior periods	(19,145)	-
	<u>(3,040)</u>	<u>36,251</u>
Deferred tax:		
Reversal of timing differences	16,889	29,119
Impact of change in tax rates	10,966	-
Adjustment in respect of prior periods	-	(12,856)
Deferred tax charge (note 14)	<u>27,855</u>	<u>16,263</u>
Tax on profit	<u>24,815</u>	<u>52,514</u>

## (b) Reconciliation of tax charge

Tax assessed for the financial year is different from the standard rate of corporation tax in the United Kingdom for the financial year ended 31 July 2020 of 19% (2019: 19%). The differences are explained below:

	2020 Stg£	2019 Stg£
Profit before taxation	<u>322,464</u>	<u>1,017,111</u>
Profit before taxation multiplied by the standard rate of tax at 19% (2019: 19%)	61,268	193,251
Effects of:		
Expenses not deductible for tax purposes	3,186	16,121
Group relief claimed	(47,565)	(157,682)
Fixed asset timing differences	-	-
Deferred tax rate change	10,966	(3,426)
Adjustments in respect of prior periods	(19,145)	(12,856)
Other	16,105	17,106
Tax on profit	<u>24,815</u>	<u>52,514</u>

## NOTES TO THE FINANCIAL STATEMENTS – continued

<b>10 Tangible assets</b>	<b>Land and buildings Stg£</b>	<b>Plant and machinery Stg£</b>	<b>Total  Stg£</b>
<b>Cost</b>			
At 1 August 2019	2,061,851	5,416,406	7,478,257
Additions	-	22,384	22,384
<b>At 31 July 2020</b>	<b>2,061,851</b>	<b>5,438,790</b>	<b>7,500,641</b>
<b>Accumulated depreciation</b>			
At 1 August 2019	1,387,062	3,161,664	4,548,726
Charged in year	45,361	164,277	209,638
<b>At 31 July 2020</b>	<b>1,432,423</b>	<b>3,325,941</b>	<b>4,758,364</b>
<b>Net book amounts</b>			
<b>At 31 July 2020</b>	<b>629,428</b>	<b>2,112,849</b>	<b>2,742,277</b>
At 31 July 2019	674,789	2,254,742	2,929,531

<b>11 Financial assets</b>	<b>2020 Stg£</b>	<b>2019 Stg£</b>
<b>Investment in associate undertakings at 31 July (cost and carrying amount)</b>		
Investment in West Twin Silos Limited	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

<b>Name</b>	<b>Nature of business</b>	<b>Group % share</b>	<b>Registered office</b>
West Twin Silos Limited	Silos operations	50%	Clarendon House, 23, Clarendon Road Belfast BT1 3BG

West Twin Silos Limited had a loss of £3,191 for the financial year ended 31 July 2020 and capital and reserves of £10,098 at 31 July 2020.

During the financial year ended 31 July 2019, the company disposed of its investment in McCorkell Holdings for £60,000 and incurred a loss of £39,486 on disposal (note 8).

## NOTES TO THE FINANCIAL STATEMENTS – continued

12 Debtors	2020 Stg£	2019 Stg£
Prepayments	-	35,527
Amounts owed by related parties	<u>7,483,874</u>	<u>6,471,315</u>
	<u>7,483,874</u>	<u>6,506,842</u>

Amounts owed by related parties are unsecured, interest free and repayable on demand.

13 Creditors – amounts falling due within one year	2020 Stg£	2019 Stg£
Trade creditors	24,829	28,223
Value added tax payable	113,349	88,355
Corporation tax payable	16,105	19,145
Amounts owed to group undertakings	2,053,308	2,053,308
Amounts owed to related parties	2,719,331	2,489,016
Accruals and other creditors	<u>439,353</u>	<u>218,386</u>
	<u>5,366,275</u>	<u>4,896,433</u>

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

14 Provision for liabilities	2020 Stg£	2019 Stg£
Deferred taxation:		
Opening balance	(93,209)	(76,946)
Charged during the year (note 9)	<u>(27,855)</u>	<u>(16,263)</u>
Closing balance	<u>(121,064)</u>	<u>(93,209)</u>

The deferred taxation provision consists of the following amounts:

Tax effect of timing differences due to capital allowances on property, plant and equipment	<u>(121,064)</u>	<u>(93,209)</u>
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15 Called up share capital – presented as equity	2020 Stg£	2019 Stg£
<i>Authorised</i>		
100,000 (2019: 100,000) ordinary shares of Stg£1 each	<u>100,000</u>	<u>100,000</u>
<i>Allotted, called up and fully paid</i>		
2 (2019: 2) ordinary shares of Stg£1 each	<u>2</u>	<u>2</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – continued**

**16 Capital and reserves**

A description of each reserve within equity is shown below:

**Profit and loss account**

The profit and loss account represents accumulated comprehensive income for the financial year and prior financial years, less dividends paid.

**17 Contingent liabilities**

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

**18 Related party transactions**

The company has taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing intra-group transactions as it is a wholly-owned subsidiary of its parent undertaking Origin Enterprises plc, whose financial statements are publicly available.

**19 Approval of the financial statements**

The financial statements were approved by the board of directors on **9** December 2020.