

Origin Enterprises UK Limited

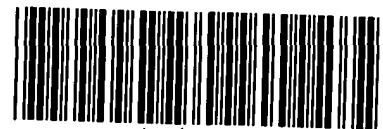
Annual Report

Financial year ended 31 July 2023

Registered Number: NI 054947

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Sean Coyle (Irish)
TJ Kelly (Irish)
Robert Beeney
Christopher Clark
Brendan Kent
Michael Pater

Secretary

Origin Secretarial Limited

Registered Office

Unit 4A McLean Road
Campsie Real Estate
Londonderry
BT47 3PF

Registered Number: NI054947

Auditors

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

DIRECTORS REPORT

The directors present their report and audited financial statements of the company for the financial year ended 31 July 2023.

Principal activity, business review and future developments

The company's principal activity is that of a holding company within the Origin Enterprises plc group.

The directors are satisfied with the state of affairs of the company and do not anticipate any changes to its principal activity in the foreseeable future.

Results for the year

The profit and loss account and the balance sheet are set out on pages 10 and 11 respectively. The profit for the financial year amounted to Stg£30,507,936 (2022: loss of Stg£3,776,983). Shareholders' funds as at 31 July 2023 amounted to a deficit of Stg£1,544,335 (2022: deficit of Stg£20,052,271).

In accordance with Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2013, the company is exempt from preparing a Strategic Report.

Dividends

No dividend was paid during the current financial year (2022: Stg£ Nil).

Directors and Secretary

The names of the persons who were directors at any time during the year ended 31 July 2023 are set out below. Unless indicated otherwise they served as directors for the entire year.

Directors

Sean Coyle (Irish)

TJ Kelly (Irish)

Robert Beeney

Christopher Clark

Brendan Kent

Michael Pater

Secretary

Origin Secretarial Limited

Post balance sheet events

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

Political Donations

The company did not make any political donations for the year (2022: Stg £Nil).

DIRECTORS REPORT - continued

Non-financial and sustainability information statement

The ultimate parent of the Company is Origin Enterprises plc and the Company is included in the consolidated financial statements of Origin Enterprises plc, which are publicly available. The Directors consider that the climate-related opportunities and risks of the Company are integrated with those of the Origin Enterprises plc group, and that any climate-related impact on the Company itself would originate in the operating businesses entities of the group.

Accordingly, the Directors primarily consider the impact of climate change in relation to potential changes in the carrying value of the Company's assets including its investments held in fellow group companies and amounts due from group undertakings, which would be driven by factors arising in the wider group. The assessment of carrying values is carried out at least annually, or when a triggering event occurs. During the financial year the Company performed an assessment of the recoverability of financial assets (Note 12). No financial assets or amounts due from group undertakings were considered to be impaired at the balance sheet date.

The interests of the Company's stakeholders within and outside the group are also considered as part of this assessment, when appropriate.

Accordingly, the climate-related actions of the Origin Enterprises plc group, and its arrangements for managing them (including the related time periods and potential impacts on the group's business model and strategy), are discussed further as part of the Strategic Report on pages 50 - 63 of the group's annual report, which does not form part of this report.

As a result of the above, the Directors do not consider that it is necessary for an understanding of the Company's activities to include here a description of the actual or potential impacts on the business model and strategy or their resilience under different climate-related scenarios, or the targets or key performance indicators used.

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, 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 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.

DIRECTORS REPORT - continued

Disclosure of information to auditors

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

- As 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 this will be proposed at the Annual General Meeting.

By order of the board of directors


Director: TJ Kelly

Date: 12 December 2023



Independent auditors' report to the members of Origin Enterprises UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Origin Enterprises UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 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, including 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 2023;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended;
- the notes to the financial statements, which include a description of the significant accounting policies.

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.

Conclusions relating to going concern

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 when the financial statements are authorised for issue.

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.

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

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

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 directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report for the year ended 31 July 2023 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 directors' report.

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, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to:

- laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006 and taxation legislation; and
- those laws and regulations which do not have a direct effect on the determination of material amounts and disclosures in the financial statements but where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection and



certain aspects of company legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates, transactions outside the normal course of business, and the posting of fraudulent journal entries. Audit procedures performed included:

- Consideration of fraud risk as part of our audit planning process;
- Identification of potential risk factors through consideration of the company's business strategies and risks. This includes meetings with management as well as the those charged with governance and staff regarding their perspectives on fraud and compliance with applicable laws and regulations;
- Evaluation of the company's programs and controls designed to address fraud risk;
- Responding to the risk identified by designing appropriate audit procedures;
- Maintaining professional scepticism throughout the audit;
- Implementing specific procedures to address risks associated with the management override of controls, including close examination of journal entries and other adjustments, accounting estimates, identifying indicators of possible management bias and significant unusual transactions;
- Incorporating unpredictability into our audit process;
- Implementing specific procedures to address risks associated with non-compliance with laws and regulations; and
- Careful evaluation of the amount and quality of audit evidence obtained at all stages of the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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.



Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in cursive script, 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
12 December 2023

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 July 2023

	Note	2023 Stg£	2022 Stg£
Administrative expenses		(22,897)	(6,359)
Other operating income	6	<u>817,126</u>	<u>57,337</u>
Operating profit before exceptional items		794,229	50,978
Exceptional items	7	<u>(121,895)</u>	<u>(540,500)</u>
Operating profit / (loss) after exceptional items		672,334	(489,522)
Income from shares in group undertakings	8	<u>37,188,883</u>	<u>3,219,818</u>
Profit before interest and taxation		37,861,217	2,730,296
Interest payable and similar expenses	9	(7,462,360)	(6,517,301)
Interest receivable and similar income	10	<u>109,079</u>	<u>20,022</u>
Profit / (loss) before taxation		30,507,936	(3,766,983)
Tax on profit / (loss)	11	<u>-</u>	<u>-</u>
Profit / (loss) for the financial year		<u>30,507,936</u>	<u>(3,766,983)</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 2023

	Note	2023 Stg£	2022 Stg£
Fixed assets			
Financial assets	12	<u>100,567,092</u>	<u>89,668,473</u>
Current assets			
Debtors	13	<u>269,726,049</u>	<u>260,095,288</u>
Cash at bank and in hand		<u>-</u>	<u>2,663,136</u>
		<u>269,726,049</u>	<u>262,758,424</u>
Creditors – amounts falling due within one year	14	<u>(371,837,476)</u>	<u>(372,479,168)</u>
Net current liabilities		<u>(102,111,427)</u>	<u>(109,720,744)</u>
Net liabilities		<u>(1,544,335)</u>	<u>(20,052,271)</u>
Capital and reserves			
Called up share capital	15	<u>2</u>	<u>2</u>
Profit and loss account		<u>(1,544,337)</u>	<u>(20,052,273)</u>
Total equity		<u>(1,544,335)</u>	<u>(20,052,271)</u>

The financial statements on pages 10 to 21 were approved by the board of directors on 12th December 2023 and were signed on its behalf by:

Director: TJ Kelly

Date: 12 December 2023

Origin Enterprises UK Limited
Registered Number: NI054947

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 July 2023

	Called up share capital Stg£	Profit and loss account Stg£	Total Stg£
Balance at 1 August 2021	2	(16,285,290)	(16,285,288)
Loss for the financial year	-	(3,766,983)	(3,766,983)
Balance as at 31 July 2022	2	(20,052,273)	(20,052,271)
Balance at 1 August 2022	2	(20,052,273)	(20,052,271)
Profit for the financial year		30,507,936	30,507,936
Dividends paid	-	(12,000,000)	(12,000,000)
Balance as at 31 July 2023	2	(1,544,337)	(1,544,335)

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The company's principal activity is that of a holding company within the Origin Enterprises plc group.

Origin Enterprises UK Limited is incorporated as a company limited by shares. The address of its registered office is Unit 4A McLean Road, Campsie Real Estate, Londonderry, Northern Ireland.

Origin Enterprises UK Limited is a wholly owned subsidiary of Origin Enterprises Luxembourg SARL 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 the 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 2023.

2 Statement of compliance

The individual financial statements of Origin Enterprises UK Limited have been prepared in compliance with United Kingdom Account Standards, including the 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 historical 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.

(b) Going concern

At the balance sheet date the company had net liabilities of £1,544,335. Whilst the directors acknowledge this matter, they believe that since the company's overall parent has confirmed in writing that it will provide financial support for a period of at least 12 months from the date of approval of these financial statements, the company is able to continue as a going concern.

(c) 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. The resulting profits or losses are included under "other operating expense" in the profit and loss account on page 10.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(d) Taxation

Taxation expense for the financial year comprises current and deferred tax recognised in the financial year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

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

Management periodically evaluates 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.

(e) Financial assets

Financial assets consist of investments held in subsidiaries and associate companies. These investments are held at cost less accumulated impairment losses.

(f) Dividend income

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

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and 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.

(h) 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 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 period 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(h) Financial instruments – continued

(i) Financial assets - continued

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

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not 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, bank loans and amounts owed to group undertakings 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.

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

(iii) Derivatives

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(i) 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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(k) Exceptional items

Exceptional items include acquisition related costs and impairments of assets. Judgement is used in assessing the particular items which are disclosed as exceptional items taking into consideration their scale and nature.

(l) 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.

(i) *Impairment of financial assets*

Annually, the company considers whether financial assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. See Note 12 for the carrying amount of financial assets.

(ii) *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 13 for the net carrying amount of debtors.

(iii) *Going concern*

The company meets its day-to-day working capital requirements through its intercompany financing facilities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. The ultimate controlling party has confirmed that it will provide financial support to the company for the foreseeable future. Accordingly, the directors believe it remains appropriate to prepare these financial statements on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Statutory information

(a) Directors' remuneration

Directors' do not receive any remuneration in relation to the services they provide to this company (2022: Stg £Nil).

	2023 Stg£	2022 Stg£
(b) The profit before taxation is stated after charging:		
Auditors' remuneration	<u>3,608</u>	<u>3,500</u>

(c) Employees

The company had no employees in the year (2022: None).

6 Other operating income / (expense)

Other operating income/ (expense) in the current year represents foreign exchange gains / (losses) arising on the revaluation of intercompany trading balances.

7 Exceptional items

	2023 Stg£	2022 Stg£
Acquisition related expense	121,895	-
Impairment of investment in subsidiary	<u>-</u>	<u>540,500</u>

During the financial year, the Company incurred charges in relation to the acquisitions of Keystone Environmental and Neo Environmental.

8 Income from shares in group undertakings

	2023 Stg£	2022 Stg£
Dividends received from subsidiary companies and associates	<u>37,188,883</u>	<u>3,219,818</u>

9 Interest payable and similar expenses

	2023 Stg£	2022 Stg£
Interest payable to fellow group companies	6,129,199	6,129,199
Bank overdraft interest payable	<u>1,333,161</u>	<u>388,102</u>
	<u>7,462,360</u>	<u>6,517,301</u>

10 Interest receivable and similar income

	2023 Stg£	2022 Stg£
Interest on short term deposits	<u>109,079</u>	<u>20,022</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Income tax

	2023 Stg£	2022 Stg£
(a) Tax expense included in profit and loss		
UK corporation tax on profit/(loss) for the financial year	-	-
(b) Reconciliation of tax charge		
Tax assessed for the financial year is different from the standard rate of corporation tax in the United Kingdom. There was an increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023. As a result, the current year tax rate is a blended rate of 21.01% for the financial year ended 31 July 2023. (2022: 19%). The differences are explained below:		
	2023 Stg£	2022 Stg£
Profit/(Loss) before taxation	30,507,936	(3,766,983)
Profit/(Loss) before taxation multiplied by the standard rate of tax in the UK of 21% (2022: 19%)	6,406,667	(715,727)
Effects of:		
Group relief (received)/ surrendered not paid for	595,298	133,564
Expenses not deductible for tax purposes	25,605	102,695
Non-taxable Income	(7,811,703)	(611,765)
Corporate Interest restriction	784,133	1,091,233
Tax on loss for the year	-	-

12 Financial assets

	2023 Stg£	2022 Stg£
Investment in subsidiaries and associate undertakings		
Cost and carrying amount		
At 1 August	89,668,473	90,208,973
Additions during the year (i)	10,898,619	-
Impairment (Note 7)	-	(540,500)
At 31 July	100,567,092	89,668,473
(i) During the year the company acquired 100% share capital of Keystone Environmental Limited.		
In the opinion of the directors, the value of the investment is not less than the book value shown above.		
Analysed as:	2023 Stg£	2022 Stg£
<i>Subsidiaries</i>		
Origin UK Operations Limited	44,546,948	44,546,948
Origin Amenity Solutions Limited	8,753,265	8,753,265
R&H Hall Trading Limited	5,576,550	5,576,550
Hall Silos Limited	2,233,549	2,233,549
Keystone Environmental Limited (i)	10,898,619	-
Resterra Limited	14,867,931	14,867,931
<i>Associates</i>		
BHH Limited	12,804,008	12,804,008
West Twin Investments Limited	470,197	470,197
North West Silos Limited	379,456	379,456
James Allen & Co (Belfast) Limited	36,569	36,569
	100,567,092	89,668,473

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Financial assets – continued

Income from shares in group undertakings was comprised as follows:	2023 Stg£	2022 Stg£
Alexander's Partners Limited	-	644,818
BHH Limited	-	2,575,000
Origin UK Operations Limited	37,063,883	-
West Twin Operations Limited	125,000	-
	37,188,883	3,219,818

Details of undertakings in which the company holds more than 20% of any class of share capital are given below:

Name of company	Holding	Proportion held	Principal activity
BHH Limited ⁽²⁾	10,000 'B' ordinary shares of Stg£1 each	50%	Investment holding company
Keystone Environmental Limited ⁽⁶⁾	2 ordinary shares of Stg£1 each 200 "B" ordinary shares of Stg£1 each	100%	Investment holding company
Origin UK Operations Limited ⁽¹⁾	550,002 ordinary shares of Stg£1 each	100%	Fertiliser production and merchenting
North West Silos Limited ⁽³⁾	490,001 'A' ordinary shares of Stg£1 each	50%	Feed processing
James Allen & Co (Belfast) Limited ⁽³⁾	4,500 ordinary shares of Stg£1 each	50%	Dormant
Origin Amenity Solutions Limited ⁽¹⁾	1,218,598 ordinary shares of Stg£0.10 each	100%	Turf management services
R&H Hall Trading Limited ⁽⁴⁾	2,000,000 ordinary shares of Stg£1 each	100%	Grain and feed trading
Hall Silos Limited ⁽⁴⁾	2 ordinary shares of Stg£1 each	100%	Grain handling
West Twin Investments Limited ⁽³⁾	1 "B" ordinary shares of Stg£1 each	50%	Silo operation
Resterra Limited ⁽⁵⁾	4,750 "A" ordinary shares of Stg£0.01 each 3,990 "B" ordinary shares of Stg£0.01 each 6,270 "C" ordinary shares of Stg£0.01 each 3,990 "D" ordinary shares of Stg£0.01 each 1,000 "E" ordinary shares of Stg£0.01 each	100%	Digital agricultural services

(1) Registered address is 1-3 Freeman Court Jarman Way, Orchard Road, Royston, Hertfordshire, SG8 5HW, UK

(2) Registered address is 35-39 York Road, Belfast, BT15 3GW, UK

(3) Registered address is Clarendon House, 23 Clarendon Road, Belfast, BT1 3BG, UK

(4) Registered address is 4a Campsie Real Estate, Mclean Road, Londonderry, BT47 3PF, UK

(5) Registered address is HQ 329 F Wing Thomson Avenue, Harwell Campus, Didcot, OX11 0GD, UK

(6) Registered address is The Old Barn, Beverston, Tetbury, GL8 8TT, UK

NOTES TO THE FINANCIAL STATEMENTS - continued

13 Debtors

	2023 Stg£	2022 Stg£
Amounts owed from parent company (i)	112,975,612	61,802,084
Amounts owed from group undertakings	156,750,437	198,293,204
	<u>269,726,049</u>	<u>260,095,288</u>

(i) Amounts owed from parent company and group undertakings are unsecured, interest free and repayable on demand.

14 Creditors: amounts falling due within one year

	2023 Stg£	2022 Stg£
Amounts owed to group undertakings (a)	323,994,739	372,277,543
Bank overdraft	47,633,125	-
Accruals and other payables	209,612	201,625
	<u>371,837,476</u>	<u>372,479,168</u>

(a) Amounts owed to group undertakings are analysed as follows:

	2023 Stg£	2022 Stg£
Interest free loans (i)	202,407,134	251,139,934
Interest bearing loans (ii)	121,587,605	121,137,609
	<u>323,994,739</u>	<u>372,277,543</u>

(i) Interest free loans owed to group undertakings are unsecured, interest free and repayable on demand.

(ii) Interest bearing loans owed to group undertakings are analysed as follows:

Group	Maturity	Rate	Currency	2023 Stg£	2022 Stg£
Kings Horticulture Limited	03/12/2025	5.10%	GBP	121,587,605	121,137,609
				<u>121,587,605</u>	<u>121,137,609</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Called up share capital – presented as equity

	2023	2022
	Stg£	Stg£
Authorised		
10,000,000 (2022: 10,000,000) ordinary shares of Stg£1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted and fully paid		
2 (2022: 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.

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 losses for the financial year and prior financial years, less dividends paid.

17 Contingent liabilities

The company has given guarantees and cross guarantees for the bank facilities available to the Origin Enterprises plc group of companies.

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 financial statements

The financial statements were approved by the board of directors on 12 December 2023.