R & H Hall Trading Limited

Directors' Report and Annual Report

Year ended 31 July 2022

Registered number: NI059022

CONTENTS

	Page(s)
DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3 - 4
DIRECTORS' REPORT	5 - 7
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R&H HALL TRADING LIMITED	8 - 10
PROFIT AND LOSS ACCOUNT	11
STATEMENT OF COMPREHENSIVE INCOME	11
BALANCE SHEET	12
STATEMENT OF CHANGES IN EQUITY	13
NOTES TO THE FINANCIAL STATEMENTS	14 - 26

DIRECTORS AND OTHER INFORMATION

Board of Directors

W. Larkin
S. Coyle
T. O'Mahony

Secretary

Origin Secretarial Limited

Registered Office

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

Registered number: NI059022

Independent Auditors

PricewaterhouseCoopers LLP
Merchant Square
20 - 22 Wellington Place
Belfast
BT1 6GE

STRATEGIC REPORT

The directors present their Strategic report on the Company for the year ended 31 July 2022.

Principal activities and business review (including principal risks and uncertainties and future developments)

The company's principal activity is that of grain and feed ingredient trading. The company is incorporated as a company limited by shares in the United Kingdom.

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

The directors consider the principal risks and uncertainties the company faces to be:
- volatility in commodity markets;
- spontaneous combustion and/or fire; and
- significant facility and/or mechanical breakdown.

The directors believe that these risks are effectively managed through adequate insurance cover, emergency reaction plan, on site security and ongoing inspection and maintenance of plant and equipment. 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.

Statement by the directors in performance of their statutory duties in accordance with S.172 (1) Companies Act 2006

The Board of Directors, in line with their duties under s172(1) (a-f) of the Companies Act 2006, act in a way they consider, in good faith, will be most likely to promote the success of The Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions taken during the year ended 31 July 2022. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors. Through an open and regular dialogue on an ongoing basis with the Company's key stakeholders, the Board maintains a clear understanding of their needs, assesses their perspective and monitors their impact on the Company's strategic ambition, culture and their future plans.

As part of the Board's decision-making process, the Board considers the potential impact of decisions on relevant stakeholders, including its financiers and creditors and customers, whilst also having regard to several wider factors, including the impact of the Company's operations on the community and environment. The directors seek to promote a culture of environmental sustainability within the business, through responsible business practices focused on minimising environmental impacts. The directors' continued aim is to comply with all environmental legislation, prevent pollution and reduce waste wherever possible.

Management policies seek to ensure that both the career development of employees and recruitment are determined solely on merit and aptitude regardless of age, sex, ethnic origin, religious belief or disability. Consultation with employees 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 and that all employees are aware of the financial and economic performance of the company as a whole.

Key performance indicators
Key performance indicators that are focused on by management include:
- sales volumes;
- margin per tonne;
- overheads;
- working capital balances;
- days sales outstanding; and
- discharge and storage tonnes.

Each of these indicators are monitored by management against budget and against prior years.

STRATEGIC REPORT (continued)

Financial risk management

The principal financial risk arises from the purchase of product in foreign currencies. This risk is managed by entering into foreign currency contracts with financial institutions, which will be used to pay for the product on delivery.

On behalf of the board

Sean Coyle
Director

Date: 7/2/2023

DIRECTORS' REPORT

The directors present their Annual report and audited financial statements for the year ended 31 July 2022.

Results for the year
The profit and loss account and the balance sheet are set out on pages 11 and 12 respectively. Profit for the financial year amounted to £1,112,561 (2021: profit of £318,278). Total equity as at 31 July 2022 amounted to £11,098,765 (2021: 9,932,864).

Dividends
No dividends were paid during the year (2021: £nil).

Directors
The directors who served during the year and subsequent to the year end were as follows:

Directors
S. Coyle
W. Larkin
T. O'Mahony

Accounting records
The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Unit 4A McLean Road, Campsie Real Estate, Londonderry, BT47 3PF and at 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland.

Political donations
The company did not make any political donations for the year (2021: none).

Directors' Indemnities
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

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 in respect of the financial statements
The directors are responsible for preparing the Directors' 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 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, 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.

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

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' confirmations
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Going concern
These financial statements have been prepared on the going concern basis. The company meets its day to day working capital requirements through its own reserves and banking facilities and it has prepared a cash flow forecast for twelve months from the date of signing the Annual report which support its ability to continue as a going concern for a period of at least 12 months from the signing of the financial statements.

The directors are therefore confident that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

Energy and carbon reporting
In line with the 'Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018' and related accompanying government guidance 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements: March 2019', the Company presents details of its carbon and energy use.

As per the associated regulations and guidance, comparative information is not mandatory in the first year of reporting and has not been presented.

Energy and emissions report

1.1	Energy Consumption (kWh)		Carbon Emissions (tCO2e)		Intensity Ratio Emission per £million turnover	
	FY22	**FY21**	**FY22**	**FY21**	**FY22**	**FY21**
Electricity	56,758	54,472	11	13	0.06	0.05
Total	**56,758**	**54,472**	**11**	**13**	**0.06**	**0.05**

Methodology
To determine emissions for the year ended 31 July 2022, the company used a methodology compliant with the Greenhouse Gas ('GHG') Protocol and incorporated the 2020 UK Government GHG conversion factors for green-house gas reporting.

DIRECTORS' REPORT (continued)

Energy and emissions report – Methodology (continued)

Electricity consumption was based on actual data, obtained from supplier invoices, meter readings and online supplier portal data. The collected consumption data is then converted into greenhouse gas emissions associated with each activity using annually updated emission factors from the UK Government.

On behalf of the board

Sean Coyle
Director

Date: 7/2/2023

Independent auditors' report to the members of R & H Hall Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion, R & H Hall Trading Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 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 Directors' Report and Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 July 2022; the profit and loss account, the statement of comprehensive income and 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.

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.

Independent auditors' report to the members of R & H Hall Trading Limited (continued)

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 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.

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 2022 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.

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 in respect of the financial statements, 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.

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.

Independent auditors' report to the members of R & H Hall Trading Limited (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 the posting of inappropriate journal entries in order to improve reported performance. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and deter irregularities;
- Review of board minutes; and
- Identifying and testing journal entries, in particular, any journal entries posted and containing unusual or unexpected account combinations.

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.

Cowie

Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
18 April 2023

PROFIT AND LOSS ACCOUNT
Year ended 31 July 2022

	Note	2022 £	2021 £
Turnover	4	**194,230,512**	137,702,780
Cost of sales		**(190,085,008)**	(134,803,900)
Gross profit		**4,145,504**	2,898,880
Administrative expenses		**(2,516,952)**	(1,994,208)
Operating profit	5	**1,628,552**	904,672
Interest payable and similar expenses	6	**(114,016)**	(62,268)
Profit before taxation		**1,514,536**	842,404
Tax on profit	8	**(401,975)**	(524,126)
Profit for the financial year		**1,112,561**	318,278

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 July 2022

		2022 £	2021 £
Profit for the financial year		**1,112,561**	318,278
Actuarial gain relating to pension schemes recharged from fellow group company	15	**53,340**	164,882
Total comprehensive Income for the financial year		**1,165,901**	483,160

BALANCE SHEET
As at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	9	497,893	1,083,751
Tangible assets	10	260,561	196,531
		758,454	1,280,282
Current assets			
Stocks	11	5,536,621	2,876,843
Debtors	12	23,489,301	20,679,605
Cash at bank and in hand		143,990	64,970
		29,169,912	23,621,418
Creditors: amounts falling due within one year	13	(18,829,601)	(14,927,178)
Net current assets		10,340,311	8,694,240
Total assets less current liabilities		11,098,765	9,974,522
Other provisions: deferred tax liability	14	-	(41,658)
Net assets		11,098,765	9,932,864
Capital and reserves			
Called up share capital	17	2,000,000	2,000,000
Retained earnings		9,098,765	7,932,864
Total equity		11,098,765	9,932,864

The financial statements on pages 11 to 26 were approved by the board on 7/2/23 and were signed on its behalf by:

Sean Coyle
Director

R&H Hall Trading Limited
Registered number: NI059022

Date: 7/2/2023

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 July 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2021	**2,000,000**	**7,932,864**	**9,932,864**
Profit for the financial year	**-**	**1,112,561**	**1,112,561**
Actuarial gain relating to pension schemes recharged from fellow group company	**-**	**53,340**	**53,340**
Total comprehensive income for the year	**-**	**1,165,901**	**1,165,901**
At 31 July 2022	**2,000,000**	**9,098,765**	**11,098,765**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2020	2,000,000	7,449,704	9,449,704
Profit for the financial year	-	318,278	318,278
Actuarial gain relating to pension schemes recharged from fellow group company	-	164,882	164,882
Total comprehensive income for the year	-	483,160	483,160
At 31 July 2021	2,000,000	7,932,864	9,932,864

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The company's principal activity is that of grain and feed ingredient trading. The company is incorporated as a company limited by shares and domiciled in Northern Ireland within the United Kingdom. The address of the registered office is Unit 4A McLean Road, Campsie Real Estate, Londonderry, BT47 3PF, United Kingdom.

2 Statement of compliance

The individual financial statements of R&H Hall Trading 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.

3 Summary of significant accounting policies

The following accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation
The financial statements are prepared on a going concern basis, under the historic cost convention. The company meets its day to day working capital requirements through its own reserves and banking facilities and it has prepared a cash flow forecast for twelve months from the date of signing the Annual report which support its ability to continue as a going concern for a period of at least 12 months from the signing of the financial statements. The directors are therefore confident that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies.

The company 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.

(b) Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost 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 and charged to the profit and loss account as follows:

Plant and machinery	20 years

(i) Subsequent additions and major components
Subsequent costs, including major inspections, are included in the assets 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

(c) Intangible assets
The company's intangible asset consists of the company's ERP system, Microsoft Dynamics AX. The asset is stated at cost less accumulated amortisation and accumulated impairment losses and is amortised over its estimated useful life of 6 years, on a straight line basis.

(d) Foreign currencies
The financial statements are expressed in sterling (£).

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 dealt with in the profit and loss account.

(e) Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. 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 year or prior years. 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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies- continued

(g) Inventories

Stocks are measured at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, packaging and pallets where applicable.
At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its net realisable value and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

(h) Pension

The Company operates a defined benefit pension scheme which is now closed to future accrual.

For the Company's defined benefit scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax to the extent that it is deemed to be recoverable.

The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees and earned during the period plus the cost of any benefit improvements granted to members during the period.

The expected return on the pension scheme's assets during the period and the increase in the scheme's liabilities due to the unwinding of the discount during the period are shown as financing costs in the profit and loss account. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities due to changes in assumptions or because actual experience during the period was different to that assumed, are recognized as actuarial gains and losses in the statement of comprehensive income.

The Company is a sponsoring employer for the Main Section of the Origin UK scheme and is liable for 5% of any net pension liability associated with the main section. A fellow group company, Masstock Arable (UK) Limited, is liable for the remaining 95% of any net pension liability. Masstock Arable (UK) Limited accounts for the entire Main Section of the Origin UK Pension Scheme and recharges the Company for its 5% through an intra-group charge.

(i) 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.

(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, intercompany 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 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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies- continued

(j) Financial instruments - continued

(i) Financial assets – continued

If there is a 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 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, intercompany payables, 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.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies- continued

(k) Called up share capital
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) Distributions to equity holders
Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

(m) 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.

(n) Use of judgements in applying the Company's accounting policies
The preparation of financial statements in conformity with FRS 102 requires the use of significant judgements, estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results may differ from these estimates. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, relate primarily to accounting for deferred income tax, inventory impairments and provision for receivables.

(i) Deferred income tax
Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. Significant judgement is used when assessing both the extent to which deferred tax assets should be recognised and the amount to be recognised, with consideration given to the timing and level of future taxable income in the relevant tax jurisdiction.

(ii) Inventory Impairments
It is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of the inventory.

(iii) Provision for receivables
Management reviews the recoverability of receivables taking into account objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

(o) Exemptions for qualifying 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 19 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;

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies- continued

(o) Exemptions for qualifying under FRS 102 (continued)

- The financial instrument disclosure requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A of FRS 102 providing the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated; and
- The requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

4 Turnover

Turnover represents the invoiced value of goods supplied and the provision of services during the year excluding value added tax and is net of sales returns, trade discounts and rebates. The analysis of turnover by geographical market and by class of business has not been given as the directors consider such disclosure to be seriously prejudicial to the company's interests.

5 Operating profit

	2022 £	2021 £
(a) The profit on ordinary activities before taxation is stated after charging:		
Depreciation	**70,437**	35,576
Amortisation	**585,858**	547,122
Foreign exchange gains/(losses)	**52**	(20)
Operating lease costs – land and buildings	**42,523**	43,723
Audit of individual financial statements	**4,349**	6,383
(b) Directors' remuneration		
Emoluments	**108,979**	85,185
Contributions to retirement benefit schemes:		
- defined contribution	**838**	90

Retirement benefits are accruing to 1 director (2021: 2 directors) under a defined contribution scheme and no directors (2021: 1 director) under the Origin Enterprises plc UK hybrid pension scheme.

6 Interest payable and similar expenses

	2022 £	2021 £
Interest on intercompany loans wholly repayable within 5 years, otherwise than by instalments	**114,016**	62,268

7 Staff costs

The monthly average number of persons employed by the company during the year was 12 (2021: 12), all of whom were employed in management and administration.

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Staff costs (continued)

	2022	2021
	£	£
The staff costs comprise:		
Wages and salaries	**697,389**	525,233
Social security costs	**80,473**	56,857
	777,862	582,090

8 Tax on profit

	2022	2021
	£	£
(a) Tax on profit		
Current tax:		
Current tax charge	**508,250**	403,750
Adjustment in respect of prior periods	**-**	175,749
Deferred tax:		
Timing differences	**(81,105)**	(65,400)
Adjustment in respect of prior periods	**442**	29
Effect of tax rate change	**(25,612)**	9,998
Total deferred tax credit (note 14)	**(106,275)**	(55,373)
Tax on profit	**401,975**	524,126

(b) Reconciliation of profit before taxation at the standard rate to the actual charge at the effective rate.

The tax charge for the year is different to the tax charge that would result from applying the standard rate of corporation tax in the United Kingdom to profit on ordinary activities before taxation. The differences are explained below:

	2022	2021
	£	£
Profit before tax	**1,514,536**	842,404
Profit before tax multiplied by the standard rate of tax 19% (2021: 19%)	**287,762**	160,057
Effects of:		
Expenses not deductible for tax purposes	**496,259**	193,296
Other	**508,250**	403,750
Group relief claimed	**(865,126)**	(418,753)
Impact of change in tax rates	**(25,612)**	9,998
Adjustment to tax charge in respect of previous periods	**442**	175,749
Adjustment to tax charge in respect of previous periods – deferred tax	**-**	29
	401,975	524,126

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Intangible assets

	Computer software £
Cost	
At 1 August 2021	2,770,586
At 31 July 2022	**2,770,586**
Accumulated amortisation	
At 1 August 2022	1,686,835
Charged in year	585,858
At 31 July 2022	**2,272,693**
Net book amounts	
At 31 July 2022	**497,893**
At 31 July 2021	1,083,751

Computer software consists of an ERP system.

10 Tangible assets

	Plant and machinery £
Cost	
At 1 August 2021	540,562
Additions during the year	134,467
Disposals during the year	(198,893)
At 31 July 2022	**476,136**
Accumulated depreciation	
At 1 August 2021	344,031
Charged in year	70,437
Disposals during the year	(198,893)
At 31 July 2022	**215,575**
Net book amount	
At 31 July 2022	**260,561**
At 31 July 2021	196,531

11 Stocks

	2022 £	2021 £
Finished goods for resale	**5,536,621**	**2,876,843**

In the opinion of the directors, the replacement cost of stocks did not differ significantly from the amount shown above.

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Debtors

	2022 £	2021 £
Trade debtors	**2,454,594**	1,867,473
Amounts owed by related parties	**18,450,220**	16,292,620
Amounts owed by group undertakings	**2,519,870**	2,429,492
Value added tax receivable	**-**	90,020
Deferred tax asset (note 14)	**64,617**	-
	23,489,301	20,679,605

Trade debtors are stated after provisions for impairment of £200 (2021: £60,000).

Amounts owed by related parties and group undertakings are unsecured, interest free and payable on demand.

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	**12,812,075**	10,814,955
Amounts owed to related parties	**4,474,558**	3,498,466
Corporation tax	**508,250**	403,750
Other taxation and social security	**253,280**	-
Accruals and deferred income	**781,438**	210,007
	18,829,601	14,927,178

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. Interest owed to related parties are unsecured, repayable on demand and interest free with the exception of amounts owed to a financing entity, on which interest at a rate of 0.79% per annum was charged.

14 Other provisions: Deferred tax asset/(liability)

	2022 £	2021 £
Deferred tax:		
At 1 August	**(41,658)**	(97,031)
Profit and loss account (note 8)	**106,275**	55,373
At 31 July	**64,617**	(41,658)

Deferred tax asset/(liability) is split as follows:

	2022 £	2021 £
Accelerated capital allowances	**62,117**	(44,158)
Short term timing difference	**2,500**	2,500
	64,617	(41,658)

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Post employment benefits

The Origin UK Pension Scheme has two sections, the Main Section and the UAP Section. Each section has its own sponsoring employer. The assets and liabilities of the old R&H Hall Scheme were transferred to the Main Section along with the assets and liabilities of the Masstock Arable (UK) Limited Retirement Benefits Plan (the "Masstock Scheme") and the CSC Crop Protection Limited Pension and Life Assurance Fund (the "CSC Scheme"). The Company is a sponsoring employer for the Main Section of the Origin UK Scheme and is liable for 5% of any net pension liability associated with the main section. A fellow group company, Masstock Arable (UK) Limited is liable for the remaining 95% of any net pension liability. Masstock Arable (UK) Limited accounts for the entire Main Section of the Origin UK Pension Scheme and recharges the Company for its 5% through an intra-group charge.

The risks of the schemes are as follows:

i. Asset volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term.

ii. *Changes in bond yields*
A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

iii. Life expectancy
The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

iv. Inflation risk
The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (in the case of fixed interest bonds) or loosely correlated with (in the case of equities) inflation, meaning that an increase in inflation will also increase the deficit. The actuarial valuation performed at 31 July 2021 has been made on the following assumptions

	2022	2021	
Discount rate	**3.50%**	1.60%	per annum
Rate of inflation	**3.05%**	2.90%	per annum

Assumptions regarding future mortality are set, based on actuarial advice, in accordance with published statistics and experience in the UK. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2022	2021
Longevity at aged 65 for current pensioners		
Men	**22.1**	22.0
Women	**23.9**	23.8
Longevity at aged 65 for future pensioners		
Men	**23.4**	23.3
Women	**25.4**	25.5

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Post employment benefits (continued)

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Carrying amount
	£'000	£'000	£'000
At 1 August 2021	49,271	(49,523)	(252)
Benefits paid	(2,460)	-	(2,460)
Settlements	-	2,460	2,460
Employer contributions	902	-	902
Participant contributions	90	(90)	-
Current service cost	-	(458)	(458)
Past service cost	-	-	-
Interest income/(expense)	776	(777)	(1)
Settlement gains	-	-	-
Remeasurement gains/(losses)	(9,955)	10,579	624
At 31 July 2022	**38,624**	**(37,809)**	**815**

Total cost recognised as an expense:

	2022	2021
	£'000	£'000
Current service cost	458	420
Past service cost	-	11
Settlement gains/ (losses)	-	-
Net interest expense	1	52
	459	483

The fair value of the plan assets was:

	2022	2021
	£'000	£'000
Cash and cash equivalents	432	685
Real estate	488	488
Investment funds	21,947	28,771
Assets held by insurance company	6,299	6,100
Other	9,460	13,227
	38,626	49,271

The return on the plan assets was:

	2022	2021
	£'000	£'000
Interest income	776	747
Remeasurements	(9,955)	1,999
Total return on plan assets	(9,179)	2,746

The company does not expect to make any contributions to its defined benefit schemes in year ended 31 July 2023 as the UAP section of the Origin UK Pension scheme is in a net surplus position.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Dividends

Dividends of £nil were paid during the year (2021: £nil).

17 Called up share capital

	2022 £	2021 £
Authorised		
2,000,000 (2021: 2,000,000) ordinary shares of £1 each	**2,000,000**	2,000,000
Allotted, called up and fully paid		
2,000,000 (2021: 2,000,000) ordinary shares of £1 each	**2,000,000**	2,000,000

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

18 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.

19 Group membership and controlling party

The directors regard Origin Enterprises plc as the controlling party of the company. The company's immediate parent undertaking is Origin Enterprises UK Limited, an undertaking incorporated and operating in the United Kingdom. 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.

20 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.

In the normal course of business, the Group undertakes arms-length transactions with its associates and other related parties. A summary of transactions with these related parties during the year and in the prior year are as follows:

Year ended 31 July 2022	**Sale of goods £**	**Purchase of goods £**	**Receiving services from £**	**Payment of tax liability £**
Transactions with associates and joint ventures of Origin Enterprises plc	94,244,626	178,693,553	804,706	403,750

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Related party transactions (continued)

Year ended 31 July 2021	Sale of goods £	Purchase of goods £	Receiving services from £	Payment of tax liability £
Transactions with associates and joint ventures of Origin Enterprises plc	61,893,057	126,299,697	635,633	175,750

The balances owing to the company from related parties at 31 July 2022 were £18,450,220 (2021: £16,292,620) and the balances owing from the company to related parties at 31 July 2022 were £4,474,558 (2021: £3,498,466).

21 Approval of the financial statements

The financial statements were approved by the board of directors on 7/2/2023