

Headland Amenity Limited

Annual Report

Financial Year ended 31 July 2022

Registered Number: 02876705

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DIRECTORS AND OTHER INFORMATION

Board of Directors on

R. Beeney
C. Clark
B. Kent
T.J. Kelly

Registered Office

1-3 Freeman Court
Jarman Way
Orchard Road
Royston
Hertfordshire
SG8 5HW

Registered Number: 02876705

Company Secretary

Origin Secretarial Limited

Independent Auditors

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

DIRECTORS' REPORT

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

Principal activity, business review and future developments

The principal activity of the company was the supply of turf management products for the leisure and amenity industries. On 31 July 2021, the company transferred the assets and trade activities to Origin Amenity Solutions Limited (formerly Rigby Taylor Limited) a fellow group company. The company did not trade in the current year.

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

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

Results for the year

The profit and loss account for the year ended 31 July 2022 and the balance sheet at that date are set out on pages 8 and 9 respectively. The profit for the financial year, after taxation, amounted to £Nil (2021: £630,586). Total equity at 31 July 2022 was £4,713,956 (2021: £4,713,956).

Dividend

No dividends were paid in the year (2021: £Nil).

Directors

The names of persons who were directors at any time during the year ended 31 July 2022 are set out below. Except where indicated they served for the entire year.

M. De'Ath	(resigned 30 November 2021)
M. Hunt	(resigned 30 November 2021)
A. Russell	(resigned 30 November 2021)
R. Beeney	
C. Clark	
B. Kent	
T.J. Kelly	

Company Secretary

Origin Secretarial Limited

Post balance sheet events

No events impacting the company have occurred since the end of the financial year which would impact the amounts or disclosures in these financial statements.

Political donations

The company did not engage in any political contributions during the year (2021: £Nil).

Research and development

The company spent £Nil (2021: £46,184) on research and development costs.

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.

DIRECTORS' REPORT – continued

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statutory Auditors

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

On behalf of the board

Robert Beeney

Director



Date:

19/4/23



Independent auditors' report to the members of Headland Amenity Limited

Report on the audit of the financial statements

Opinion

In our opinion, Headland Amenity 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 result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the balance sheet as at 31 July 2022;
- 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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



Reporting on other information - continued

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 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 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 employment law and taxation 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 management override of controls with journal entries and management bias in accounting estimates. Audit procedures performed included:



Responsibilities for the financial statements and the audit - continued

Auditors' responsibilities for the audit of the financial statements - continued

- enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- enquiry of management to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

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 take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Paul O'Connor
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
20 April 2023

PROFIT AND LOSS ACCOUNT
For the financial year ended 31 July 2022

		2022 £	2021 £
Turnover	4	-	6,784,210
Cost of sales		-	(4,815,614)
Gross profit		-	1,968,596
Administrative expenses		-	(1,331,208)
Other operating expense		-	(5,249)
Operating profit	5	-	632,139
Interest receivable		-	383
Profit before taxation		-	632,522
Tax on profit	7	-	(1,936)
Profit for the financial year		-	630,586

There are no recognised gains or losses for the current financial year or the prior financial year other than the profit transferred to reserves. Accordingly, no statement of comprehensive income is presented.

BALANCE SHEET
As at 31 July 2022

	Note	2022 £	2021 £
Current assets			
Debtors	8	<u>5,063,956</u>	<u>5,063,956</u>
		<u>5,063,956</u>	<u>5,063,956</u>
Creditors (amounts falling due within one year)	9	<u>(350,000)</u>	<u>(350,000)</u>
Net assets		<u>4,713,956</u>	<u>4,713,956</u>
Capital and reserves			
Called up share capital – presented as equity	10	<u>2</u>	<u>2</u>
Share premium account		<u>50,771</u>	<u>50,771</u>
Profit and loss account		<u>4,663,183</u>	<u>4,663,183</u>
Total equity		<u>4,713,956</u>	<u>4,713,956</u>

The financial statements on pages 8 to 19 were approved by the Board of Directors on 19/4/23 and were signed on its behalf by:

Robert Beenev

Director

Headland Amenity Limited
Registered no 02876705



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

	Called up share capital £	Share Premium account £	Profit and loss account £	Total equity £
At 1 August 2020	2	50,771	4,032,597	4,083,370
Profit for the year	-	-	630,586	630,586
At 31 July 2021	<u>2</u>	<u>50,771</u>	<u>4,663,183</u>	<u>4,713,956</u>
At 1 August 2021	2	50,771	4,663,183	4,713,956
Result for the year	-	-	-	-
At 31 July 2022	<u>2</u>	<u>50,771</u>	<u>4,663,183</u>	<u>4,713,956</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

1 General information

The principal activity of the company was the supply of turf management products for the leisure and amenity industries. On 31 July 2021 the company transferred the assets and trade activities to Origin Amenity Solutions Limited (formerly Rigby Taylor Limited) a fellow group company. The company did not trade in the current year.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of the registered office is, 1-3 Freeman Court, Jarman Way, Orchard Road, Royston, Hertfordshire, England.

The company is a wholly owned subsidiary undertaking of Provantis Amenity Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking is Origin Enterprises plc, a company incorporated in the Republic of Ireland.

The smallest and largest 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 2022.

2 Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 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 Report) 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

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

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or where assumptions and estimations have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(b) Revenue recognition

Revenue 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.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (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

(c) Finance costs

All finance costs in connection with borrowings are allocated to the profit and loss account at a constant rate on the carrying amount shown in the balance sheet. Accrued finance costs are included in the accruals to the extent that they will be paid in cash in the next accounting period, but otherwise are added to the carrying amount of the borrowings.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed 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 provided on all tangible fixed assets excluding freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings- 25% reducing balance
Computer equipment- 33% reducing balance

The carrying values of fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate their carrying value may not be recoverable.

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 replacement 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.

(e) Inventory

Inventories are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes design costs, raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

(f) 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

(g) 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. Current or deferred taxation assets and liabilities are not discounted.

(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 the 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 the 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.

(h) Employee benefits

The company provides a range of benefits to employees including short term employee benefits such as annual bonus arrangements and paid holiday pay arrangements and post-employment benefits (in the form of a defined contribution plan).

(i) *Short term employee benefits*

Short term employee benefits, including wages and salaries, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

(ii) *Annual bonus plan*

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a present legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(iii) *Defined contribution pension*

The company also operates a defined contribution pension scheme for employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(i) Share capital presented as equity

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, not of tax, from the proceeds.

(j) Distributions to equity holders

Dividends and other distributions to a 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.

(k) Foreign currencies

The financial statements are expressed in sterling (£), the functional currency of the company. Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(l) Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowing in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

(n) 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, intercompany 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

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 effective interest rate. The impairment loss is recognised in profit or loss.

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 the profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(n) Financial instruments – continued

(i) *Financial assets -continued*

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 and 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 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, intercompany and other payables 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 an 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 drawdown 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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

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

(o) Revenue grants

Grants are recognised when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Grant income is recognised either based on the performance model or the accruals model. This policy choice is applied on a class-by-class basis. Grant income is recognised based on the fair value of the asset received or receivable. Under the performance model, a grant that imposes specified future performance related conditions on the company is recognised in income only when the performance related conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability. Under the accruals model, grants are classified as a grant relating to revenue or a grant related to assets. Grants related to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Grants related to assets are recognised in income on a systematic basis over the expected useful life of the asset.

(p) Research and development

Research and development expenditure is written off to the profit and loss account in the period in which it is incurred.

(q) Dividends

Dividends are recognised in the period in which they are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies – continued

(r) Exemptions for qualifying entities under FRS102

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;

- 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.
- 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 on the basis that the equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated.
- Certain disclosure requirements of Section 26 of FRS 102 (paragraphs 26.18(b), 26.19 to 26.21 and 26.23), in respect of share-based payments provided that for a subsidiary the share-based payment arrangement concerns equity instruments of another group entity the equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated; and
- The requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

4 Turnover

An analysis of turnover by geographical area has not been included as the directors are of the opinion that such disclosure would be seriously prejudicial to the interests of the company.

5 Operating profit

	2022 £	2021 £
Operating profit is stated after charging/(crediting):		
Auditors' remuneration	-	11,918
Depreciation of fixed assets	-	19,038
Inventory recognised as an expense	-	4,687,392
Research and development expenditure written off	-	46,184
Reversal of impairment of trade receivables	-	(8,009)
Foreign exchange losses	-	5,249
Operating lease rentals:	-	-
- other	-	54,734

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Employees and directors

	2022 £	2021 £
Employee costs during the year (including directors):		
Wages and salaries	-	726,172
Social security costs	-	88,552
Other pension costs	-	64,610
	<u>-</u>	<u>879,334</u>

	2022 Number	2021 Number
The average monthly number of employees during the year was as follows:		
Management and administration	-	4
Sales and distribution	-	8
	<u>-</u>	<u>12</u>

	2022 £	2021 £
Directors' remuneration:		
Emoluments, including contributions to money purchase pension schemes	-	256,727
Contributions to retirement benefit schemes:		
- Defined contribution	-	15,146

The emoluments, excluding pension contributions, of the highest paid director for the year were £Nil (2021: £86,924).

Retirement benefits are accruing to No directors (2021: 6 directors) under a defined contribution scheme. Of these contributions £Nil was in respect of the highest paid director (2021: £5,181).

7 Tax on profit

	2022 £	2021 £
(a) Tax expense included in profit and loss account		
Current tax:		
Corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Timing differences	-	991
Adjustment in respect of previous years	-	945
Total deferred tax	<u>-</u>	<u>1,936</u>
 Tax on profit	 <u>-</u>	 <u>1,936</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Tax on profit - continued

	2022 £	2021 £
(b) Factors affecting tax charge for the year		
The tax assessed for the year is lower (2021: lower) than to the standard rate of corporation tax in the United Kingdom for the financial year ended 31 July 2022 of 19% (2021:19%) The differences are explained below:		
Profit before taxation	-	632,522
Profit before taxation multiplied by the standard rate of tax of 19% (2021: 19%)	-	120,179
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	(37)
Adjustments to tax charge in respect of previous periods	-	945
Tax transfer under S940A CTA2010	-	3,056
Group relief claimed	-	(122,207)
Tax on profit	-	1,936

8 Debtors

	2022 £	2021 £
Amounts owed by group undertakings	5,063,956	5,063,956
	5,063,956	5,063,956

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

9 Creditors (amounts falling due within one year)

	2022 £	2021 £
Amount owed to group undertakings	350,000	350,000
	350,000	350,000

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

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Called up share capital – presented as equity	2022	2021
	£	£
Allotted and fully paid		
2 (2021: 2) ordinary shares of £1 each (2021: £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.

A description of each reserve within equity is shown below.

Profit and loss account

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

11 Related party transactions

The company is exempt, under FRS 102 paragraph 33.1A, from disclosing related party transactions with companies wholly owned by Origin Enterprises plc, whose financial statements are publicly available.

12 Post balance sheet event

No events impacting the company have occurred since the end of the financial year which would impact the amounts or disclosures in these financial statements.

13 Approval of financial statements

The financial statements were approved by the board of directors 19/4/23