

Omega Proteins Limited

Registered number: 03868711

Annual report and financial statements

For the year ended 30 April 2022

OMEGA PROTEINS LIMITED

COMPANY INFORMATION

Directors	M Powar D Sawrij
Registered number	03868711
Registered office	Swalesmoor Farm Swalesmoor Road Halifax West Yorkshire HX3 6UF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP
Bankers	Lloyds Bank PLC 45 Hustlergate Bradford BD1 1NT

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

Introduction

The directors present their strategic report for the year ended 30 April 2022.

Business review

The Company continued its principal activity during the year and the performance achieved during the period is set out in the Statement of Comprehensive Income on page 11. Turnover increased year on year by 53%, to £110.6m, and the company made a pre tax profit of £11.2m (2021: £7.9m). The business has continued to be profitable through close cost control and efficiency improvements.

The business' state of the art Category 1 rendering plant was fully operational in this financial year. The investment has continued and new lines with new technology have been introduced to all its plants which now provide more efficient, cost effective and additional increased processing capacity. This continued investment has allowed the business to increase market share, with the introduction of some long term supply agreements.

The company maintains international standards and accreditations at all of its processing sites.

The company continues to invest in Research and Development, so that it is able to establish and find niche products and new markets for its finished goods. This has proven beneficial over the years in giving the company the ability to create market leading products that it can distribute worldwide.

The Groups global structure allows the company to make use of synergies between the different businesses to maximise opportunities for all its products and divert products where best value is achieved.

The company continues to be supported by the group (2022 EBITDA £34.3m) which allows it to make further investments in processing capacities and cost reduction technologies, to considerably reduce its processing costs. Further investments have been made at all sites to deliver more capacity availability to match its long terms strategic growth plan. The company and group continues to invest to reduce its carbon impact by introducing renewable methods of energy generation across all of its sites.

Principal risks and uncertainties

The company is subject to a number of risks and uncertainties, including an ever changing economic environment, a strong competitive environment, an increasing legislative agenda, employee retention and most recently the UK's exit from the European Union and the onset of the COVID 19 pandemic.

The directors are aware of these risks and strategic decisions are made to manage them appropriately. These include regular monitoring of costs and the credit exposure of customers. The decision making process and the assessment of business performance is supported by the experience of the management team, weekly sales and profitability data and monthly management accounts, split by business segment.

The business also has an exposure to the risk of currency fluctuations. This risk is managed by the regular monitoring of fluctuations in key currencies. The group has also forward managed the potential currency exposure with some long term financial instruments in place.

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

Going concern

The Company has generated significant shareholder return over recent years and continued to do so in the current year despite challenging circumstances. The Company shows net current liabilities of £12.5m (2021: £5.9m) and is stated after the declaration of dividends totalling £8.0m (2021: £6.5m). Current liabilities include amounts owed to group companies totalling £3.3m (2021: £4.5m). The Directors have received assurances from the wider group that these balances will not be recalled until such time as the company can repay them.

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial key performance indicators

Turnover increased year on year by 53%, to £110.6m (2021: £72.4m). Gross profit increased from £14.0m to £17.3m, an increase of 30% in the year. Gross margin reduced from 19.4% to 15.6%. The company made a pre tax profit of £11.2m (2021: £7.9m). The directors are satisfied with the performance of the business considering the challenges faced during the year.

Other key performance indicators

Group management utilise a number of non financial key performance indicators to monitor the quality of its end product. Group management also monitor energy usage and carbon emissions closely with the view to minimising the Group's effect on the environment.

Directors' statement of compliance with duty to promote the success of the Company

The board of directors consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of shareholders as a whole and in doing so, have regard to a number of broader matters which are set out in the Directors' report.

This report was approved by the board on 20 January 2023 and signed on its behalf.

M Powar
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

The directors present their report and the financial statements for the year ended 30 April 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activity is the rendering of animal by products to produce high quality meals and oils for use in the renewable fuels, pet foods and agricultural industries.

Results and dividends

The profit for the year, after taxation, amounted to £7,220,312 (2021 - £6,683,756).

A dividend of £8,000,000 (2021: £6,500,000) was declared during the period.

Directors

The directors who served during the year were:

M Powar

D Sawrij

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

Energy and carbon reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Omega Proteins Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Limited for the reporting period 1 January 2021 to 31 December 2021.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from sites and transport where operational control is conducted – this includes electricity, gaseous fuels and business travel in company owned or grey fleet vehicles.

The table below details the regulated SECR energy sources and associated GHG emissions for the current and previous reporting periods.

Energy Emissions

	1st January 2021 to 31st December 2021	1st January 2020 to 31st December 2020
Energy (kWh)		
Total energy (kWh)	361,613,129	283,710,491
Emissions (tCO₂e)		
Total SECR emissions	69,628	55,156
Intensity metric		
SECR emissions per FTE employee	<u>315</u>	<u>236</u>

The Company continues to invest in processing equipment and the transport fleet to ensure fuel efficiency, with improved maintenance programmes and periodic replacement of older equipment. The type of fuel for combustion equipment is also being reviewed so that carbon emissions can be further reduced, such as switching from gas oil to natural gas and biomass.

Monitoring and Targeting with the aid of our ISO 50001 energy management system is important for ensuring efficient use of fuel and steam, therefore further investment is being made to roll out computerised monitoring systems at each site.

During 2020, OMP Erlings Works was undergoing a rebuild that was completed in August. During the first half of 2020 this site was not running and therefore, is the cause of the energy use increase.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Future developments

The Directors will continue to develop the growth of the company in the animal by products sector.

Investment in plant and equipment will continue in order to install more efficient processing capabilities. The Directors continually look to produce more niche quality products to take advantage of emerging markets.

The Directors will monitor and manage the impact of Brexit and COVID 19 on the business and take appropriate action where required.

Engagement with suppliers, customers and others

Our People and Values

The Directors appreciate that the company employees are key to deliver the goals and achieve the business strategy. The company encourages and promotes development of talent within the business. It actively looks to train and develop key personnel to ensure that knowledge and skills are retained within the business.

Health and safety is a primary objective and the company has the necessary resources employed to ensure compliance and more importantly employee safety. The company encourages employees to participate in Health and Safety activities to ensure there is a group wide "buy in" and an appreciation that health and safety is everyone's responsibility.

The company promotes actively maintaining standards through its various acquired accreditations.

Business Relationships

These relationships are fundamental to the performance and existence of the business. The Directors focus on maintaining these relationships at both ends of the supply chain. The Directors value all of their suppliers and customers and strive to maintain good relations and encourage open and honest dialogue.

The company has liaison managers and key account managers in place to ensure customers and suppliers are dealt with appropriately and they have a conduit to effectively communicate with the wider business.

Community and Environment

The industry the company operates in makes community and environment a key consideration in all decision making processes. The Directors understand the impact their business can have on the local community and work extremely hard to minimise any impact as much as possible. This is by implementing new technologies and completing their own R&D to introduce better technologies and remain compliant with their permits to operate.

The Directors actively participate in community initiatives and contribute to worthy causes in the community, as they appreciate that local government funds are often constrained, so they try to step in to assist local communities.

Shareholders

The Shareholders are actively involved in the day to day management of the company and support the Directors. The "hands on" approach ensures that they promote the long term development of the company.

The shareholders ensure the resources are available so the business can deliver its strategies and goals in the long term.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 January 2023 and signed on its behalf.

M Powar

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA PROTEINS LIMITED

Opinion

We have audited the financial statements of Omega Proteins Limited (the 'Company') for the year ended 30 April 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA PROTEINS LIMITED

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA PROTEINS LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and the Bribery Act 2010.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA PROTEINS LIMITED

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, pension legislation and tax legislation.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to depreciation and stock valuation, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Christopher Hudson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place
Leeds
LS1 4AP

20 January 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022**

	Note	2022 £	2021 £
Turnover	4	110,649,072	72,359,757
Cost of sales		(93,357,127)	(61,012,211)
Other income	5	-	2,654,580
Gross profit		<u>17,291,945</u>	<u>14,002,126</u>
Administrative expenses		(5,279,369)	(6,053,299)
Other income	5	3,961	63,617
Operating profit	6	<u>12,016,537</u>	<u>8,012,444</u>
Interest receivable and similar income	10	2,904	14,190
Interest payable and similar expenses	11	(860,986)	(113,184)
Profit before tax		<u>11,158,455</u>	<u>7,913,450</u>
Tax on profit	12	(3,938,143)	(1,229,694)
Profit for the financial year		<u><u>7,220,312</u></u>	<u><u>6,683,756</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 15 to 35 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	51,603,569	41,884,837
Investments	16	21,000	21,000
		<u>51,624,569</u>	<u>41,905,837</u>
Current assets			
Stocks	17	6,553,789	3,880,259
Debtors: amounts falling due within one year	18	13,460,271	11,077,954
Cash at bank and in hand	19	3,260,117	6,289,767
		<u>23,274,177</u>	<u>21,247,980</u>
Creditors: amounts falling due within one year	20	(35,757,783)	(27,196,002)
Net current liabilities		<u>(12,483,606)</u>	<u>(5,948,022)</u>
Total assets less current liabilities		39,140,963	35,957,815
Creditors: amounts falling due after more than one year	21	(29,313,547)	(29,439,582)
		<u>9,827,416</u>	<u>6,518,233</u>
Provisions for liabilities			
Deferred taxation	25	(7,315,619)	(3,226,748)
Net assets		<u><u>2,511,797</u></u>	<u><u>3,291,485</u></u>
Capital and reserves			
Called up share capital	26	1,000	1,000
Profit and loss account	27	2,510,797	3,290,485
		<u><u>2,511,797</u></u>	<u><u>3,291,485</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 January 2023.

M Powar
Director

The notes on pages 15 to 35 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2020	1,000	3,106,729	3,107,729
Comprehensive income for the year			
Profit for the year	-	6,683,756	6,683,756
Total comprehensive income for the year	-	6,683,756	6,683,756
Contributions by and distributions to owners			
Dividends: Equity capital	-	(6,500,000)	(6,500,000)
Total transactions with owners	-	(6,500,000)	(6,500,000)
At 1 May 2021	1,000	3,290,485	3,291,485
Comprehensive income for the year			
Profit for the year	-	7,220,312	7,220,312
Total comprehensive income for the year	-	7,220,312	7,220,312
Contributions by and distributions to owners			
Dividends: Equity capital	-	(8,000,000)	(8,000,000)
Total transactions with owners	-	(8,000,000)	(8,000,000)
At 30 April 2022	1,000	2,510,797	2,511,797

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	7,220,312	6,683,756
Adjustments for:		
Depreciation of tangible assets	3,429,389	2,915,772
Profit on disposal of tangible assets	(86,068)	(144,355)
Interest payable	860,986	113,184
Interest receivable	(2,904)	(14,190)
Taxation charge	3,938,143	1,229,694
(Increase)/decrease in stocks	(2,673,530)	571,669
(Increase)/decrease in debtors	(2,433,983)	7,923,542
Increase in amounts owed by groups	(7,972,623)	(3,838,669)
Increase in creditors	7,470,215	62,512
Corporation tax (paid)	(528,211)	(50,284)
Net cash generated from operating activities	<u>9,221,726</u>	<u>15,452,631</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(13,318,073)	(14,507,968)
Sale of tangible fixed assets	256,020	245,891
Interest received	2,904	14,190
HP interest paid	(321,622)	(103,699)
Net cash from investing activities	<u>(13,380,771)</u>	<u>(14,351,586)</u>
Cash flows from financing activities		
New other loans	574,862	4,813,805
New finance leases/(repayments)	1,093,897	(947,441)
Interest paid	(539,364)	(9,485)
Net cash used in financing activities	<u>1,129,395</u>	<u>3,856,879</u>
Net (decrease)/increase in cash and cash equivalents	<u>(3,029,650)</u>	<u>4,957,924</u>
Cash and cash equivalents at beginning of year	6,289,767	1,331,843
Cash and cash equivalents at the end of year	<u><u>3,260,117</u></u>	<u><u>6,289,767</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,260,117	6,289,767
	<u><u>3,260,117</u></u>	<u><u>6,289,767</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

1. General information

Omega Proteins Limited is a private Company limited by shares and incorporated in England and Wales. The registered office is included on the company information page.

The Company's principal activity is the rendering of animal by-products to produce high quality meals and oils for use in the renewable fuels, pet foods and agricultural industries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company has generated significant shareholder return over recent years and continued to do so in the current year despite challenging circumstances. The Company shows net current liabilities of £12.5m (2021: £5.9m) and is stated after the declaration of dividends totalling £8.0m (2021: £6.5m). Current liabilities include amounts owed to group companies totalling £3.3m (2021: £4.5m). The Directors have received assurances from the wider group that these balances will not be recalled until such time as the company can repay them.

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the company used the furlough scheme. The income from the furlough scheme has been recognised within 'Other operating income'. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

2.6 Interest income

Interest income is recognised in the Statement Of Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement Of Comprehensive Income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Buildings	- 12.5 - 50 years
Plant & machinery	- 15 - 25% reducing balance, 3 to 10 years straight line
Motor vehicles	- 25% reducing balance, 7 to 15 years straight line
Fixtures & fittings	- 5 years straight line
Assets under construction	- Not depreciated until brought into use

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Determining residual values and useful economic lives of tangible assets

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

(ii) Stock valuation

Finished goods are valued at the lower of cost and net realisable value. Cost includes the cost of raw materials and directly attributable labour and overheads. Assumptions are made in determining stock value which include yield generated from raw material, production overheads and transport. The Company has strong internal reporting systems which allow accurate judgements and cost allocations to be made.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Animal byproducts - external	97,045,111	64,576,477
Animal byproducts - group	13,603,961	7,783,280
	<u>110,649,072</u>	<u>72,359,757</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	60,290,112	44,133,410
Rest of Europe	47,557,664	24,791,828
Rest of the world	2,801,296	3,434,519
	<u>110,649,072</u>	<u>72,359,757</u>

5. Other income

	2022 £	2021 £
Business interruption insurance proceeds	-	2,654,580
Government grant income	3,961	63,617
	<u>3,961</u>	<u>2,718,197</u>

Business interruption insurance proceeds relates to insurance claims recognised in the prior year to indemnify the business for destroyed assets and business interruption following a fire at one of the Company's rendering facilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

6. Operating profit

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	3,429,389	2,915,772
Profit on disposal of fixed assets	(86,068)	(144,355)
Exchange differences	(337,061)	336,657
Defined contribution pension cost	412,164	183,064
Management recharge	<u>(1,619,193)</u>	<u>(580,000)</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>39,000</u>	<u>39,000</u>
Taxation services	9,500	9,500
All other services	<u>3,550</u>	<u>3,550</u>
	13,050	13,050

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	7,603,747	7,330,635
Social security costs	789,251	718,446
Cost of defined contribution scheme	412,164	183,064
	<u>8,805,162</u>	<u>8,232,145</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Production	149	162
Management	20	20
Administration	40	39
	<u>209</u>	<u>221</u>

9. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	192,393	192,382
Company contributions to defined contribution pension schemes	242,328	2,320
	<u>434,721</u>	<u>194,702</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration, including benefits in kind totalling £151,238 (2021: £151,238). Pension contributions paid to the highest paid Director totalled £121,321 (2021: £1,314).

Total remuneration paid in the year to Key Management Personnel, not including directors of the business, totalled £135,935 (2021: £150,831).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

10. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>2,904</u>	<u>14,190</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	14,330	9,404
Loans from group undertakings	522,185	-
Finance leases and hire purchase contracts	321,622	103,699
Other interest payable	<u>2,849</u>	<u>81</u>
	<u>860,986</u>	<u>113,184</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	1,021,554
Adjustments in respect of previous periods	<u>(150,728)</u>	<u>(168,608)</u>
Total current tax	<u>(150,728)</u>	<u>852,946</u>
Deferred tax		
Origination and reversal of timing differences	2,877,781	392,863
Prior period adjustment	146,009	(16,115)
Effect of tax rate change on opening balance	<u>1,065,081</u>	<u>-</u>
Total deferred tax	<u>4,088,871</u>	<u>376,748</u>
Taxation on profit on ordinary activities	<u>3,938,143</u>	<u>1,229,694</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>11,158,455</u>	<u>7,913,450</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,120,106	1,503,556
Effects of:		
Expenses not deductible for tax purposes	4,925	1,507
Fixed asset differences	(571,020)	23,315
Adjustments to tax charge in respect of prior periods	(150,728)	(188,474)
Non-taxable income	(307,647)	(110,210)
Adjustments to tax charge in respect of previous periods - deferred tax	146,009	-
Remeasurement of deferred tax for changes in tax rate	1,755,748	-
Group relief surrendered/(claimed)	940,750	-
Total tax charge for the year	<u><u>3,938,143</u></u>	<u><u>1,229,694</u></u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Dividends

	2022 £	2021 £
Dividends declared on equity capital	<u><u>8,000,000</u></u>	<u><u>6,500,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

14. Intangible assets

	Goodwill £
Cost	
At 1 May 2021	530,000
At 30 April 2022	<u>530,000</u>
Amortisation	
At 1 May 2021	530,000
At 30 April 2022	<u>530,000</u>
Net book value	
At 30 April 2022	<u><u>-</u></u>
At 30 April 2021	<u><u>-</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**
15. Tangible fixed assets

	Buildings	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£	£
Cost					
At 1 May 2021	6,567,726	55,227,759	7,864,018	454,033	70,113,536
Additions	1,382,037	10,858,551	1,077,485	-	13,318,073
Disposals	-	(239,778)	(114,072)	-	(353,850)
Transfers between classes	72,605	(72,605)	-	-	-
At 30 April 2022	<u>8,022,368</u>	<u>65,773,927</u>	<u>8,827,431</u>	<u>454,033</u>	<u>83,077,759</u>
Depreciation					
At 1 May 2021	448,527	23,763,292	3,645,150	371,730	28,228,699
Charge for the year on owned assets	113,094	2,222,775	643,160	25,437	3,004,466
Charge for the year on financed assets	-	-	424,923	-	424,923
Disposals	-	(122,001)	(61,897)	-	(183,898)
At 30 April 2022	<u>561,621</u>	<u>25,864,066</u>	<u>4,651,336</u>	<u>397,167</u>	<u>31,474,190</u>
Net book value					
At 30 April 2022	<u>7,460,747</u>	<u>39,909,861</u>	<u>4,176,095</u>	<u>56,866</u>	<u>51,603,569</u>
At 30 April 2021	<u>6,119,199</u>	<u>31,464,467</u>	<u>4,218,868</u>	<u>82,303</u>	<u>41,884,837</u>

Included within Buildings and plant & machinery is the cost of assets under construction totalling £24,468,880 (2021: £14,657,411). No depreciation is charged on such assets until they are in use by the Company.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	2021
	£	£
Plant and machinery	2,559,834	-
Motor vehicles	<u>1,929,683</u>	<u>2,930,261</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

16. Fixed asset investments

	Other fixed asset investments £
Cost	
At 1 May 2021	2,741,817
At 30 April 2022	<u>2,741,817</u>
Impairment	
At 1 May 2021	2,720,817
At 30 April 2022	<u>2,720,817</u>
Net book value	
At 30 April 2022	<u>21,000</u>
At 30 April 2021	<u>21,000</u>

17. Stocks

	2022 £	2021 £
Raw materials and consumables	186,232	228,033
Finished goods and goods for resale	<u>6,367,557</u>	<u>3,652,226</u>
	<u>6,553,789</u>	<u>3,880,259</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

18. Debtors

	2022	2021
	£	£
Trade debtors	9,232,188	7,353,544
Amounts owed by group undertakings	714,017	612,669
Amounts owed by connected undertakings and other related parties	4,686	157,700
Other debtors	2,147,877	1,938,363
Prepayments and accrued income	1,353,253	1,015,678
Tax recoverable	8,250	-
	<u>13,460,271</u>	<u>11,077,954</u>

Amounts due from group companies and connected undertakings are unsecured, interest free and repayable on demand.

19. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>3,260,117</u>	<u>6,289,767</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

20. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	9,997,654	6,958,737
Trade creditors	13,028,988	8,961,821
Amounts owed to group undertakings	3,320,638	4,461,266
Amounts owed to connected undertakings	-	257,478
Corporation tax	847,379	1,526,318
Other taxation and social security	270,139	237,632
Obligations under finance lease and hire purchase contracts	1,043,933	914,239
Other creditors	372,548	341,543
Accruals and deferred income	6,876,504	3,536,968
	<u>35,757,783</u>	<u>27,196,002</u>

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

Other loans and hire purchase creditors are secured upon the assets to which they relate.

Bank borrowings are secured by a charge over all assets of the group under an omnibus guarantee and set-off agreement.

21. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	-	2,464,055
Net obligations under finance leases and hire purchase contracts	1,830,467	866,264
Amounts owed to group undertakings	27,483,080	26,109,263
	<u>29,313,547</u>	<u>29,439,582</u>

The hire purchase creditors are secured against the asset to which they relate.

Amounts owed to group companies and connected undertakings are unsecured and attract an interest rate of 2% per annum. The balance is repayable in full on 30 April 2026.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

22. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Other loans	9,997,654	6,958,737
	<u>9,997,654</u>	<u>6,958,737</u>
Amounts falling due 1-2 years		
Other loans	-	2,464,055
	<u>-</u>	<u>2,464,055</u>
	<u>9,997,654</u>	<u>9,422,792</u>

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	1,043,933	914,239
Between 1-5 years	1,830,467	866,264
	<u>2,874,400</u>	<u>1,780,503</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

24. Financial instruments

	2022	2021
	£	£
Financial assets		
Cash and cash equivalents	3,260,117	6,289,767
Financial assets that are debt instruments measured at amortised cost	12,114,582	10,062,276
	<u>15,374,699</u>	<u>16,352,043</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(63,953,812)</u>	<u>(54,871,634)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group and related entities, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank borrowings, other loans, obligations under finance leases and hire purchase contracts, amounts owed to group and related entities, trade creditors, other creditors and accruals

25. Deferred taxation

	2022	2021
	£	£
At beginning of year	(3,226,748)	(2,850,000)
Charged to profit or loss	(4,088,871)	(376,748)
At end of year	<u>(7,315,619)</u>	<u>(3,226,748)</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	(7,320,137)	(3,226,748)
Short term timing differences	<u>4,518</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

26. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

27. Reserves**Profit & loss account**

Profit and loss account reserve represents accumulated profits and losses less any distributions made to shareholders.

28. Contingent liabilities

The Company is party to a multilateral intercompany guarantee in respect to bank facilities for other group companies.

29. Capital commitments

At 30 April 2022 the Company had capital commitments as follows:

	2022	2021
	£	£
Contracted for but not provided in these financial statements	<u>3,750,983</u>	<u>1,467,831</u>

30. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £412,164 (2021: £183,064). Contributions totalling £29,431 (2021: £36,944) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**
31. Related party transactions

The Company has taken exemption under Section 33.1A of Financial Reporting Standard 102 from disclosing transactions entered into with wholly owned members of the Leo Group Holdings Limited group.

During the year, the Company made sales to connected undertakings amounting to £302,706 (2021: £875,098) and purchases of £48,000 (2021: £1,084,803).

Balances due from / (owed to) related parties at the year end are disclosed below:

	2022 £	2021 £
Amounts due from group companies	714,017	612,669
Amounts due from connected undertakings	4,686	157,700
Amounts due from other related parties	-	(533)
Amounts (owed to) group companies	(30,803,718)	(30,570,529)
Amounts (owed to) connected undertakings	-	(257,478)
Amounts owed by close family members	32,898	51,948
Amounts owed to close family members	<u>(266,839)</u>	<u>(235,467)</u>

32. Controlling party

The immediate parent undertaking at year end is Leo Group Holdings Midco Limited (company number 128996), a company incorporated in Jersey. The ultimate parent company is Leo Group Holdings Limited (company number 128995), a company incorporated in Jersey.

The ultimate controlling party is deemed to be D Sawrij by virtue of his shareholding in Leo Group Holdings Limited (company number 128995).

33. Analysis of net debt

	At 1 May 2021 £	Cash flows £	New loans £	Repayment of loans/HP £	At 30 April 2022 £
Cash at bank and in hand	6,289,767	(3,029,650)	-	-	3,260,117
Other loans	(9,422,792)	-	(2,433,101)	1,858,238	(9,997,655)
Hire purchase and finance leases	(1,780,503)	-	(2,136,962)	1,043,065	(2,874,400)
	<u>(4,913,528)</u>	<u>(3,029,650)</u>	<u>(4,570,063)</u>	<u>2,901,303</u>	<u>(9,611,938)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.