

Company No: NI641783 (Northern Ireland)

LINERGY LIMITED

Annual Report and Financial Statements

For the financial period from 30 September 2019 to 27 September 2020



LINERGY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	5
DIRECTORS' RESPONSIBILITIES STATEMENT	7
INDEPENDENT AUDITOR'S REPORT	8
STATEMENT OF INCOME AND RETAINED EARNINGS	11
BALANCE SHEET	12
NOTES TO THE FINANCIAL STATEMENTS	13

LINERGY LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

F Arico
T Lockhart
J McShane
G Waugh

SECRETARY

Pat McCarroll

REGISTERED OFFICE

Granville Industrial Estate
Dungannon
United Kingdom

COMPANY NUMBER

NI641783 (Northern Ireland)

AUDITOR

Deloitte (NI) Limited
Chartered Accountants & Statutory Audit Firm
19 Bedford Street
Belfast

BANKERS

Bank of Ireland
Scotch Street
Dungannon
Co Tyrone
BT70 1AR

SOLICITORS

Carson McDowell
Murray House
Murray Street
Belfast
BT1 6DN

LINERGY LIMITED

STRATEGIC REPORT

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

The directors present their Strategic Report for the financial year ended 27 September 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company is the operation of rendering plants.

Despite the difficult economic climate within the industry the company has continued to invest in capital projects which will help the company meet its strategic goals. The company will also continue to invest in people, product development, facilities and suitable acquisitions in order to ensure its ongoing development and will continue to seek every opportunity to increase profitable turnover.

PERFORMANCE AND POSITION

The company's profit for the period is £2,913,726 (2019: £1,275,985) and its net assets are £5,840,701 (2019: £2,566,975). No interim dividend was paid during the year (2019: £nil). The directors do not propose the payment of a final dividend (2019: £nil).

The Board are confident that the strategic direction of the company will deliver a financial performance in line with the expectations of its shareholders.

KEY PERFORMANCE INDICATORS ('KPIs')

The key performance indicators for the company are set out below:

	27.09.2020	29.09.2019
	£	£
Turnover	16,347,651	12,400,707
Gross profit margin (%)	70	67
Earnings before interest, tax, depreciation and amortisation	4,120,314	1,924,244
Employee numbers	54	53

COMPETITION

The company operates in competitive markets and aims to provide excellent products and services at competitive prices. These factors are continually reviewed to ensure appropriate margins are being realised and that the quality of service and products is of the highest standard and consistently improving. Quality systems are maintained according to current good practice and international quality standards.

PRINCIPAL RISKS AND UNCERTAINTIES

The business faces many risks and uncertainties and these change from time to time depending on the current trading and economic environment. Many of these uncertainties are recognised and are summarised below:

- Maintenance of supply in a seasonal market;
- Pressure from customers to reduce or maintain existing selling prices and margins;
- Maintaining the highest quality standards; and
- Ensuring there is an adequate supply of suitably trained skilled staff to meet the highest of standards required.

EMPLOYEES

The company's performance is largely dependent on its staff and therefore the reliance on key individuals together with the continuing ability to attract people with relevant experience and skills are important factors in ensuring the success of the company. To mitigate these risks, the company has training, learning and development programmes in place and provides attractive long-term career opportunities.

ENVIRONMENT

The company recognises its corporate responsibility to carry out its operations whilst ensuring that there is minimal environmental impact. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

LINERGY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

HEALTH AND SAFETY

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

GENERAL

The company's strategy is to create shareholder value by investing for the long term and by positioning the company to be the leader in its chosen markets. The performance for the year under review reflects further sustained progress towards achieving this long term objective and at the same time maintaining the company's strong balance sheet.

FUTURE DEVELOPMENTS

The company intends to continue its commitment to capital investment to provide high quality products and services to its customers. There are many challenges facing the agricultural markets including sourcing supply and the challenge of competitors. The company believes it is well positioned to meet these future challenges and opportunities within this changing market-place.

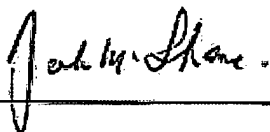
GOING CONCERN

The COVID-19 outbreak brought an exceptional set of circumstances to the company and there were a number of unforeseen challenges which management continue to navigate. As COVID-19 is now expected to be under improved control in the short-term, there is no indication that there will be a significant impact on company performance. The directors continue to monitor the impact on market conditions on a daily basis and plans have been enacted to ensure that any potential impact to the business is managed, where possible.

During the year directors closely monitored the on-going discussions between the UK and EU as they sought to reach agreement on the terms of a future trade relationship. The threat of a 'no deal' outcome was a matter of significant concern to the business and contingency plans were developed to mitigate the potential negative implications for raw material procurement and end-product sales. The agreement reached between the UK and EU in late December 2020, underpinned by the terms of the Northern Ireland Protocol, has ensured that normal trading relationships will be maintained thereby averting any significant impacts on the business.

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

Approved by the Board of Directors and signed on its behalf by:



J McShane
Director

Granville Industrial Estate
Dungannon
United Kingdom

23 February 2021

LINERGY LIMITED
DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the financial period ended 27 September 2020.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal financial instruments comprise of cash, trade debtors and creditors, and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below:

Credit risk

Credit risk arises principally on third party derived revenues. Company policy is aimed at minimising risk and requires that a credit check through Dun and Bradstreet is carried out prior to engagement and sufficient credit insurance is maintained. Credit limits are reviewed on a regular basis, and only increased as a history is built up of trading within terms.

Liquidity risk

The liquidity risk is managed through a tightly controlled cash management process. Daily current accounts balances are reviewed through an e-banking facility and projected forward to keep within financial covenants. Regular reviews of facilities are carried out to ensure sufficient liquidity.

Interest rate risk

The company has interest bearing assets and liabilities. Interest bearing assets include only cash balances, all of which earn interest at fixed rate. The company has a policy of maintaining debt at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Market price risk

The directors consider that the company has an amount of exposure to movements in market prices, due to the commodity nature of the business. The business has maintained sufficient storage capacity to help flatten demand side fluctuations on a number of areas of the business.

DIRECTORS

The directors, who served during the financial period and to the date of this report except as noted, were as follows:

F Arico	
J Best	(Resigned 12 February 2020)
J G Dobson	(Resigned 07 October 2020)
T Lockhart	
J McShane	
G Waugh	

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

POLITICAL CONTRIBUTIONS

No donations for political purposes were made during the period.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE CONSULTATION

The company provides information to employees through works committees, at which employees have also been encouraged to present their suggestions and views on the company.

LINERGY LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITOR

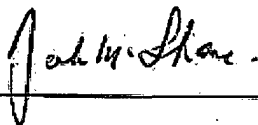
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte (NI) Limited have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:



J McShane
Director

Granville Industrial Estate
Dungannon
United Kingdom

23 February 2021

LINERGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under Company law 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 financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

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.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Linergy Limited (the 'Company'):

- Give a true and fair view of the state of the Company's affairs as at 27 September 2020 and of its profit for the financial period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- The Statement of Income and Retained Earnings;
- The Balance Sheet; and
- The related notes 1 to 20.

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

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- The directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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 either intend 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 these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

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 period 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.

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

Matters on which we are required to report by exception

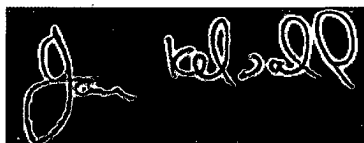
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our 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.



Ian Kelsall (Senior Statutory Auditor)
For and on behalf of Deloitte (NI) Limited
Chartered Accountants & Statutory Audit Firm
19 Bedford Street
Belfast
01 March 2021

LINERGY LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

	Note	Period from 30.09.2019 to 27.09.2020 £	Period from 01.10.2018 to 29.09.2019 £
Turnover	3	16,347,651	12,400,707
Cost of sales		(4,911,870)	(4,067,005)
Gross profit		11,435,781	8,333,702
Administrative expenses		(7,898,686)	(6,929,316)
Operating profit		3,537,095	1,404,386
Interest receivable and similar income	4	89,550	172,513
Interest payable and similar expenses	4	(3,187)	(6,457)
Profit before taxation	5	3,623,458	1,570,442
Tax on profit	8	(709,732)	(294,457)
Profit for the financial period attributable to the equity shareholders of the Company		2,913,726	1,275,985
Retained earnings at the beginning of financial period		2,566,974	1,290,990
Profit for the financial period		2,913,726	1,275,985
Retained earnings at the end of financial period		5,480,700	2,566,975

All activities in the current and prior year have arisen from continuing operations.

There were no recognised gains and losses and no other comprehensive income for 2020 and 2019 other than those included in the profit and loss account.

LINERGY LIMITED
BALANCE SHEET
AS AT 27 SEPTEMBER 2020

	Note	27.09.2020 £	29.09.2019 £
Fixed assets			
Tangible assets	10	5,797,542	5,055,436
Investment property	11	467,000	467,000
		6,264,542	5,522,436
Current assets			
Stocks	12	829,438	702,694
Debtors	13	1,984,780	1,707,104
Cash at bank and in hand		6,261,824	5,671,719
		9,076,042	8,081,517
Current liabilities			
Creditors: amounts falling due within one year	14	(9,687,503)	(10,854,841)
Net current liabilities		(611,461)	(2,773,324)
Total assets less current liabilities		5,653,081	2,749,112
Creditors: amounts falling due after more than one year	15	(172,380)	(182,137)
Net assets		5,480,701	2,566,975
Capital and reserves			
Called-up share capital	17	1	1
Profit and loss account	17	5,480,700	2,566,974
Total shareholder's funds		5,480,701	2,566,975

The financial statements of Linergy Limited (registered number: NI641783) were approved and authorised for issue by the Board of Directors on 23 February 2021. They were signed on its behalf by:


 J McShane
 Director

LINERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial period and to the preceding financial period.

General information and basis of accounting

The company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Northern Ireland. The address of its registered office is Granville Industrial Estate, Dungannon, Co Tyrone, BT70 1NJ.

Linery Limited's ("the company") principal activity is the operation of rendering plants.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Linergy Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Group's financial statement year covers the period from 30 September 2019 to 27 September 2020 ("2020") with comparative figures for the period from 1 October 2018 to 29 September 2019.

Linery Limited is consolidated in the financial statements of its parent, Linergy Group Limited, which may be obtained at their registered office, Granville Industrial Estate, Dungannon, Co Tyrone, BT70 1NJ.

Linery Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a Cash Flow Statement and remuneration of key management personnel.

Going concern

The COVID-19 outbreak brought an exceptional set of circumstances to the company and there were a number of unforeseen challenges which management continue to navigate. As COVID-19 is now expected to be under improved control in the short-term, there is no indication that there will be a significant impact on company performance. The directors continue to monitor the impact on market conditions on a daily basis and plans have been enacted to ensure that any potential impact to the business is managed, where possible.

During the year directors closely monitored the on-going discussions between the UK and EU as they sought to reach agreement on the terms of a future trade relationship. The threat of a 'no deal' outcome was a matter of significant concern to the business and contingency plans were developed to mitigate the potential negative implications for raw material procurement and end-product sales. The agreement reached between the UK and EU in late December 2020, underpinned by the terms of the Northern Ireland Protocol, has ensured that normal trading relationships will be maintained thereby averting any significant impacts on the business.

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

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in profit or loss in the period.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

LINERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognized as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The company operates a defined contribution scheme for specific 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

LINERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings (Freehold property) 25 years

Plant and machinery 1 – 10 years as appropriate

Vehicles 2 – 4 years as appropriate

Fixtures and fittings 1 – 5 years as appropriate

Land is not depreciated.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Investment property

Investment properties are carried at fair value. External valuations are obtained as necessary and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is calculated using the FIFO (first-in, first-out) method. Cost includes materials purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

Provision is made where necessary for obsolete, slow-moving and defective stocks.

LINERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020**

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

LINERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020****2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period, or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods.

The directors do not consider that any critical judgements have been made in the application of the Company's accounting policies and, no key sources of estimation uncertainty have been identified that have a significant risk of causing a material misstatement to the carrying amount of assets and liabilities within the financial period.

3. Turnover

Turnover is attributable to one continuing activity or class of business, the operation of rendering plants. All turnover arose within the United Kingdom. No analysis of turnover and profit before tax is provided as the directors consider that such disclosure would be seriously prejudicial to the interests of the company.

4. Finance income (net)

	Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
	£	£
Interest receivable and similar income	89,550	172,513
Interest payable and similar expenses	(3,187)	(6,457)
	86,363	166,056

Interest receivable and similar income

	Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
	£	£
Other interest receivable and similar income	89,550	172,513
	89,550	172,513

Interest receivable and similar income represents RDEC income received.

5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
	£	£
Depreciation of tangible fixed assets (note 10)	583,219	519,858
Foreign exchange loss/(gain)	6,348	(2,797)
Cost of stock recognised as an expense	2,260,718	1,448,953
Deferred government grants released (note 15)	(9,757)	(9,626)
Fees payable to the company's auditors for the audit of the company financial statements	9,700	9,450
Fees payable to the company's auditors for taxation compliance services	2,300	2,200

LINERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020
6. Staff number and costs

The average monthly number of employees (including directors) was:

Manufacturing

Selling and administration

Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
Number	Number
39	37
15	16
54	53

Their aggregate remuneration comprised:

Wages and salaries

Social security costs

Other retirement benefit costs (note 18)

Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
£	£
1,996,640	1,931,814
205,008	200,318
60,925	60,342
2,262,573	2,192,474

7. Directors' remuneration

Emoluments

Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
£	£
161,151	153,204
161,151	153,204

8. Tax on profit
Current tax on profit

UK corporation tax

Adjustments in respect of prior years

UK corporation tax

Total current tax
Deferred tax

Origination and reversal of timing differences

Adjustment in respect of prior periods

Effect of changes in tax rates

Total deferred tax
Total tax on profit

Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
£	£
505,710	91,350
16,997	1,277
522,707	92,627
183,290	195,169
(3)	27,205
3,738	(20,544)
709,732	294,457

Finance Act 2016 included a reduction in the main rate of UK corporation tax from 19% to 17% from 1 April 2020. However, in the UK budget on 11 March 2020, it was announced that the cut in the tax rate to 17% will now not occur and the UK Corporation Tax Rate will instead remain at 19%. As this was not substantively enacted by the Balance Sheet date, deferred tax balances as at 27 September 2020 continue to be measured at 17%. The change of rate will affect the size of the Company's deferred tax assets and liabilities in the future.

LINERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020
Tax reconciliation

The tax assessed for the period is higher than (29.09.2019: lower than) the standard rate of corporation tax in the UK:

	Period from 30.09.2019 to 27.09.2020	Period from 01.10.2018 to 29.09.2019
	£	£
Profit before tax	3,623,458	1,570,442
Tax on profit at standard UK corporation tax rate of 19.00% (29.09.2019: 19.00%)	688,457	298,384
Effects of:		
- Expenses not deductible for tax purposes	18,840	21,630
- Income not taxable in determining taxable profit	(17,771)	(34,530)
- Adjustments in respect of prior years	16,994	28,482
Tax rate changes	3,738	(20,544)
Effects of group relief/other reliefs	(526)	1,035
Total tax charge for period	709,732	294,457

9. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 30 September 2019	20,192	20,192
At 27 September 2020	20,192	20,192
Accumulated amortisation		
At 30 September 2019	20,192	20,192
At 27 September 2020	20,192	20,192
Carrying value		
At 27 September 2020	-	-
At 29 September 2019	-	-

10. Tangible assets

	Land and buildings	Plant and machinery	Vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost/Valuation					
At 30 September 2019	3,126,505	2,751,671	28,422	304,150	6,210,748
Additions	328,364	965,510	-	47,360	1,341,234
Disposals	-	(27,144)	-	-	(27,144)
At 27 September 2020	3,454,869	3,690,037	28,422	351,510	7,524,838
Accumulated depreciation					
At 30 September 2019	393,383	620,921	11,150	129,858	1,155,312
Charge for the financial period	136,995	366,619	6,375	73,230	583,219
Disposals	-	(11,235)	-	-	(11,235)
At 27 September 2020	530,378	976,305	17,525	203,088	1,727,296
Carrying value					
At 27 September 2020	2,924,491	2,713,732	10,897	148,422	5,797,542
At 29 September 2019	2,733,122	2,130,750	17,272	174,292	5,055,436

LINERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020
11. Investment property

	Investment property £
Valuation	
As at 30 September 2019	-
As at 27 September 2020	467,000

The last external valuation was made by Michael Hannath MRICS on 13 March 2013. The properties were valued on the basis of market value as defined under VS3.2 of the Red Book. The directors have assessed there is no material difference between the 2013 valuation and the current carrying value however a formal valuation will be carried out in the coming year.

12. Stocks

	27.09.2020 £	29.09.2019 £
Finished goods	269,964	183,462
Other stock	559,474	519,232
	829,438	702,694

13. Debtors

	27.09.2020 £	29.09.2019 £
Trade debtors	1,322,797	1,116,427
Amounts owed by related parties	460,286	372,592
Corporation tax	-	56,816
Other taxation and social security	88,478	44,126
Prepayments	113,219	117,143
	1,984,780	1,707,104

Trade debtors are stated after impairment of £nil (2019: £nil).

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

14. Creditors: amounts falling due within one year

	27.09.2020 £	29.09.2019 £
Trade creditors	1,261,460	978,989
Amounts owed to Group undertakings	7,542,175	9,555,846
Amounts owed to related parties	35,429	23,814
Corporation tax	433,174	-
Deferred tax liability	218,747	31,722
Other taxation and social security	52,060	60,000
Accruals	144,458	204,470
	9,687,503	10,854,841

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

LINERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

15. Creditors: amounts falling due after more than one year

	27.09.2020	29.09.2019
	£	£
Deferred income	172,380	182,137
	172,380	182,137

Deferred income represents government grants as at 27 September 2020. The amount released during the year was £9,757 (2019: £9,626). There were no amounts received in the current year (2019: £5,241).

16. Deferred tax

	27.09.2020	29.09.2019
	£	£
At the beginning of financial period	(31,722)	170,107
Charged to the Statement of Income and Retained Earnings	(187,205)	(174,626)
Adjustment in respect of prior periods	180	(27,203)
At the end of financial period	(218,747)	(31,722)

The deferred taxation balance is made up as follows:

	27.09.2020	29.09.2019
	£	£
Accelerated capital allowances	(63,313)	106,227
Other timing differences	1,118	2,051
Gain on revaluation of properties	(156,552)	(140,000)
	(218,747)	(31,722)

17. Called-up share capital and reserves

	27.09.2020	29.09.2019
	£	£
Allotted, called-up and fully-paid		
1 A ordinary share of £1.00	1	1
	1	1
Presented as follows:		
Called-up share capital presented as equity	1	1
	1	1

The Company's other reserves are as follows:

The profit and loss account represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

18. Retirement benefit obligations

Defined contribution schemes:

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £60,925 (2019: £60,342). There was a liability outstanding of £11,906 (2019: £12,064) and no prepaid contributions at year-end (2019: £nil).

19. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 27 September 2020 it was wholly owned within the Linergy Group Limited group of companies.

LINERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL PERIOD FROM 30 SEPTEMBER 2019 TO 27 SEPTEMBER 2020

20. Controlling party

The ultimate parent undertaking and controlling party, of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Linergy Group Limited.

Copies of the financial statements of Linergy Group Limited are available from the company secretary at the registered office, Granville Industrial Estate, Dungannon, Co Tyrone, BT70 1NJ.