

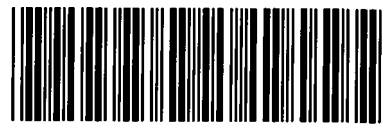
DUNDAS RENDERING LIMITED

AUDITED FINANCIAL STATEMENTS

31ST DECEMBER 2022

COMPANY REGISTRATION NUMBER:- SC676000

THURSDAY



SCCZSQK0

SCT

28/09/2023

#167

COMPANIES HOUSE

CARSON & TROTTER

CHARTERED ACCOUNTANTS

123 IRISH STREET

DUMFRIES

DG1 2PE

Dundas Rendering Limited

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Dundas Rendering Limited

Directors and other information

Directors	Stephen Bogie David Bogie Fiona Anne Bogie John Bogie Patrick Martin Walsh Gary Hancock	Appointed 14th July 2023 Appointed 14th July 2023
Company number	SC676000	
Registered office	Mosspark Brasswell Dumfries DG1 4PH	
Auditor	Carson and Trotter Chartered Accountants 123 Irish Street Dumfries DG1 2PE	
Accountants	Carson & Trotter Chartered Accountants 123 Irish Street Dumfries DG1 2PE	

Dundas Rendering Limited
Strategic report
Year ended 31st December 2022

The directors present their strategic report for the year ended 31st December 2022.

Business Review

Dundas Rendering Limited is the holding company for the group.

The group consolidated accounts includes the results of Dundas Chemical Company (Mosspark) Limited, Caledonian Petfoods Limited and Northern Fallen Stock Ltd. The group's activity is in the collection and processing of raw materials from the abattoir and Agricultural sector, into Tallow and Meal.

Financial key performance indicators

Turnover increased in the year to £50.94m (2021: £39.01m). Gross profit was reduced to £4.80m (2021: £7.42m).

The company reports a pre-tax trading profit of £3,000,084.

The directors are satisfied with the performance of the business considering the challenges faced during the year.

Principal Risks and Uncertainties

International Markets - The directors recognise the uncertainties associated with trading in international markets particularly post Brexit with increased costs of veterinary documentation and volatile currency rates and structure all contracts to minimise any risk.

Operational Risk - The directors recognise mechanical and software failure as a significant risk which is countered by a weekly maintenance program by skilled professionals.

Energy Cost - The board recognize the growing cost of energy usage and have researched and invested in the ability to switch to other fuels depending on market costs.

Future Developments

The group expects continued growth and diversification.

Health and safety

The group is committed to and fully resources the area of employee safety, health and wellbeing. The group continually monitors the training needs of their employees to ensure a high standard of working.

Equal Opportunities

Where ever possible the group seeks to employ less abled people, and ensures they receive treatment that is fair and equitable with their potential skills.

Employment

The group recognises and values the importance of its employees and offers various health care, pension, death in service and medical screening benefits. It has implemented shorter working patterns with importance being placed upon quality time off.

Dundas Rendering Limited

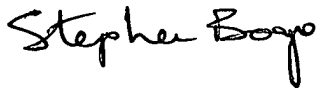
Strategic report (continued)
Year ended 31st December 2022

Section 172 statement

The directors are aware of their duty under section 172 of the Companies Act 2006. Section 172 of that Act requires directors of the company to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members and key stakeholders. When making key decisions for the company the directors have considered the impact of those decisions on the company's key stakeholders and also on wider society. The directors engage with key stakeholders when making decisions and formulating strategy. The directors also consider the environment and society in general in their decision making process.

A core value is long-term thinking and building lasting relationships with suppliers, customers, government agencies and employees. In addition the directors recognise its employees are a critical success factor for the company and seek to assist employees to succeed through a positive culture of development and engagement.

This report was approved by the board of directors on 27th September 2023 and signed on behalf of the board by:

A handwritten signature in black ink that reads "Stephen Bogie". The signature is written in a cursive, flowing style.

Stephen Bogie
Director

Dundas Rendering Limited

Directors' report Year ended 31st December 2022

The directors present their report and the audited financial statements of the company for the year ended 31st December 2022.

Directors

The directors who served the company during the year were as follows:

Stephen Bogie
David Bogie
Fiona Anne Bogie
John Bogie

Patrick Walsh and Gary Hancock were appointed directors on 14th July 2023.

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Greenhouse gas emissions and energy consumption

	Unit	2022
Emissions resulting from the purchase of electricity by the group for its own use	tCO ₂ e	21,470
Total emissions	tCO ₂ e	21,470
Total energy consumed	kWh	186,093,896
Tonnes of CO ₂ per million pounds of revenue		435.00

Principal measures taken to increase energy efficiency

The directors are committed to energy management and participate in recognised schemes such as climate change agreements (CCA) and Emission Trading schemes in order to demonstrate our commitment to climate change and follow best practice.

The directors have implemented change where possible within the financial year to reduce our green house gas emissions we have:-

- Investigated solar energy opportunities.
- Upgraded plant and machinery to improve energy performance where possible.

Dundas Rendering Limited

Directors' report (continued) Year ended 31st December 2022

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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.

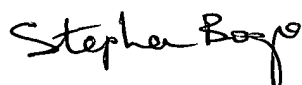
Auditor

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

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 27th September 2023 and signed on behalf of the board by:



Stephen Bogie
Director

Dundas Rendering Limited

Independent auditor's report to the members of Dundas Rendering Limited Year ended 31st December 2022

Opinion

We have audited the financial statements of Dundas Rendering Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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, including 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 group and of the parent company's affairs as at 31st December 2022 and of the group's 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 group 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 group and parent 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.

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 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, 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.

Dundas Rendering Limited

Independent auditor's report to the members of Dundas Rendering Limited (continued) Year ended 31st December 2022

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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and the 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.

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 group and the parent 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 group or the parent 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.

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

Our approach to identifying and assessing the risk of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Dundas Rendering Limited

Independent auditor's report to the members of Dundas Rendering Limited (continued) Year ended 31st December 2022

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience with the company and the sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, laws specific to the rendering of animal by-products, waste and composting, transport licensing and insurance, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the relevant laws and regulations identified above by making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of any potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing correspondence with HMRC and other relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed, laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and management and the inspection of regulatory and legal correspondence, if any.

Material misstatements which arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment and collusion.

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 group's or the parent company's 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 group's or the parent company's internal control.

Dundas Rendering Limited


**Independent auditor's report to the members of
Dundas Rendering Limited (continued)
Year ended 31st December 2022**

- 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 our auditor's report. However, future events or conditions may cause the group or the parent company 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 (i.e. gives a true and fair view).
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 we identify during our audit.

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.



Mrs Linda E Brannock BA CA (Senior Statutory Auditor)

For and on behalf of
Carson and Trotter Chartered Accountants
123 Irish Street
Dumfries
DG1 2PE

27th September 2023

Dundas Rendering Limited

**Group statement of comprehensive income
Year ended 31st December 2022**

		Year ended 31/12/22 £	Period ended 31/12/21 £
	Note		
Turnover	4	50,941,569	39,003,094
Cost of sales		(46,140,653)	(31,581,799)
Gross profit		4,800,916	7,421,295
Administrative expenses		(1,916,747)	(17,538,168)
Other operating income	5	107,567	200,193
Operating profit/(loss)	6	2,991,736	(9,916,680)
Other interest receivable and similar income	11	10,718	358
Interest payable and similar expenses	12	(2,370)	(6,729)
Profit/(loss) before taxation		3,000,084	(9,923,051)
Tax on profit/(loss)	13	(490,196)	(1,606,866)
Profit/(loss) for the financial year		2,509,888	(11,529,917)
Revaluation of tangible assets		-	2,783,145
Total comprehensive income for the year		2,509,888	(8,746,772)

All the activities of the company are from continuing operations.

The notes on pages 17 to 35 form part of these financial statements.

Dundas Rendering Limited

**Group statement of financial position
31st December 2022**

		31/12/22		31/12/21	
	Note	£	£	£	£
Fixed assets					
Intangible assets	15	467,411		409,980	
Tangible assets	16	16,219,811		14,492,480	
		<u>16,687,222</u>		<u>14,902,460</u>	
Current assets					
Stocks	18	806,671		283,822	
Debtors	19	4,111,373		3,597,709	
Cash at bank and in hand	20	3,130,435		4,493,989	
		<u>8,048,479</u>		<u>8,375,520</u>	
Creditors: amounts falling due within one year	21	(8,641,431)		(6,315,050)	
Net current (liabilities)/assets		<u>(592,952)</u>		<u>2,060,470</u>	
Total assets less current liabilities		16,094,270		16,962,930	
Creditors: amounts falling due after more than one year	22	(13,888)		(80,104)	
Provisions for liabilities	24	(3,266,923)		(2,579,255)	
Net assets		<u>12,813,459</u>		<u>14,303,571</u>	
Capital and reserves					
Called up share capital	28	13,774,628		13,774,628	
Revaluation reserve	29	2,783,145		2,783,145	
Profit and loss account	29	(3,744,314)		(2,254,202)	
Shareholders' funds		<u>12,813,459</u>		<u>14,303,571</u>	

The notes on pages 17 to 35 form part of these financial statements.

Dundas Rendering Limited

**Group statement of financial position
31st December 2022**

These financial statements were approved by the board of directors and authorised for issue on 27th September 2023, and are signed on behalf of the board by:

A handwritten signature in black ink that reads "Stephen Bogie". The signature is written in a cursive, slightly slanted style.

Stephen Bogie
Director

Company registration number: SC676000

The notes on pages 17 to 35 form part of these financial statements.

Dundas Rendering Limited

**Company statement of financial position
31st December 2022**

	Note	31/12/22 £	£	31/12/21 £	£
Fixed assets					
Investments	17	14,334,629		14,334,629	
			14,334,629		14,334,629
Creditors: amounts falling due within one year	21	(574,001)		(574,001)	
Net current (liabilities)/assets			(574,001)		(574,001)
Total assets less current liabilities			13,760,628		13,760,628
Net assets			<u>13,760,628</u>		<u>13,760,628</u>
Capital and reserves					
Called up share capital	28		13,774,628		13,774,628
Profit and loss account	29		(14,000)		(14,000)
Shareholders' funds			<u>13,760,628</u>		<u>13,760,628</u>

The company did not trade during the current year and has not made either a profit or loss.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes.

These financial statements were approved by the board of directors and authorised for issue on 27th September 2023, and are signed on behalf of the board by:

Stephen Bogie

Stephen Bogie
Director

Company registration number: SC676000

The notes on pages 17 to 35 form part of these financial statements.

Dundas Rendering Limited

**Statement of changes in equity
Year ended 31st December 2022**

	Called up share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
At 1st January 2021	-	-	-	-
Profit/(loss) for the year			(11,529,917)	(11,529,917)
Other comprehensive income for the year:				
Revaluation of tangible assets		2,783,145		2,783,145
Total comprehensive income for the year	-	2,783,145	(11,529,917)	(8,746,772)
Issue of shares	26,000,000			26,000,000
Dividends paid and payable			(2,949,657)	(2,949,657)
Cancellation of subscribed capital	(12,225,372)		12,225,372	-
Total investments by and distributions to owners	13,774,628	-	9,275,715	23,050,343
At 31st December 2021 and 1st January 2022	13,774,628	2,783,145	(2,254,202)	14,303,571
Profit/(loss) for the year			2,509,888	2,509,888
Total comprehensive income for the year	-	-	2,509,888	2,509,888
Dividends paid and payable			(4,000,000)	(4,000,000)
Total investments by and distributions to owners	-	-	(4,000,000)	(4,000,000)
At 31st December 2022	13,774,628	2,783,145	(3,744,314)	12,813,459

Dundas Rendering Limited

**Group statement of cash flows
Year ended 31st December 2022**

	Year ended 31/12/22 £	Period ended 31/12/21 £
Note		
Cash flows from operating activities		
Profit/(loss) for the financial year	2,509,888	(11,529,917)
<i>Adjustments for:</i>		
Depreciation of tangible assets	508,758	565,894
Amortisation of intangible assets	12,569	9,069
Government grant income	(61,353)	(78,145)
Other interest receivable and similar income	(10,718)	(358)
Interest payable and similar expenses	2,370	6,729
(Gain)/ loss on disposal of tangible assets	(1,115,418)	44,344
Tax on profit/loss	490,196	1,606,866
Accrued expenses/(income)	(444,888)	1,121,563
<i>Changes in:</i>		
Stocks	(522,849)	(283,822)
Trade and other debtors	(228,330)	(3,597,709)
Trade and other creditors	3,394,108	4,372,113
Cash generated from operations	4,534,333	(7,763,373)
Interest paid	(2,370)	(6,729)
Interest received	10,718	358
Tax paid	(412,429)	(597,496)
Net cash from/(used in) operating activities	<u>4,130,252</u>	<u>(8,367,240)</u>
Cash flows from investing activities		
Purchase of tangible assets	(2,482,992)	(274,969)
Proceeds from sale of tangible assets	1,362,321	1,731,320
Purchase of intangible assets	(70,000)	-
Net cash (used in)/from investing activities	<u>(1,190,671)</u>	<u>1,456,351</u>

Dundas Rendering Limited

Group statement of cash flows (continued)
Year ended 31st December 2022

		Year ended 31/12/22 £	Period ended 31/12/21 £
	Note		
Cash flows from financing activities			
Proceeds from issue of ordinary shares		-	26,000,000
Purchases to acquire or redeem own shares		-	(12,225,372)
Proceeds from borrowings		30,785	61,934
Proceeds from loans from participating interests		(266,001)	280,001
Government grant income		61,353	78,145
Payment of finance lease liabilities		(129,272)	159,827
Equity dividends paid		(4,000,000)	(2,949,657)
Net cash (used in)/from financing activities		<u>(4,303,135)</u>	<u>11,404,878</u>
Net increase/(decrease) in cash and cash equivalents		<u>(1,363,554)</u>	<u>4,493,989</u>
Cash and cash equivalents at beginning of year	20	<u>4,493,989</u>	-
Cash and cash equivalents at end of year	20	<u><u>3,130,435</u></u>	<u><u>4,493,989</u></u>

Dundas Rendering Limited

Notes to the financial statements Year ended 31st December 2022

1. General information

Dundas Rendering Limited "the company" is a private company limited by shares, registered in Scotland. The address of the registered office is Mossbank, Brasswell, Dumfries, DG1 4PH. The group consists of Dundas Rendering Limited and all of its subsidiaries.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The company is a qualifying entity for the purposes of FRS 102 and has taken advantage of the exemption available from the requirement to present a company only cash flow statement and related notes and disclosures.

Going concern

The Directors have, at the time of approving the financial statements, 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 of accounting in preparing the financial statements.

Consolidation

The consolidated financial statements incorporate those of Dundas Rendering Limited and all of its subsidiaries. All financial statements are made up to 31st December 2022. All intra-group transactions, balances and unrealised gains on transactions between group companies have been eliminated on consolidation. The company has applied section 408 of the Companies Act 2006, the exemption to disclose the individual statement of comprehensive income for the individual company and related notes.

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other 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 as follows:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the useful economic lives of the assets. The useful economic lives are re-assessed annually and obsolete items written off accordingly based upon the physical condition of the assets.

Amortisation

The annual charge for amortisation of goodwill is in line with generally accepted accounting principles. The Directors re-assess this annually.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Dundas Rendering Limited

Notes to the financial statements (continued) **Year ended 31st December 2022**

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 10% straight line
Negative Goodwill	- Over five years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- Not depreciated due to the level of maintenance work performed
Plant and machinery	- 15/20/25% Reducing balance
Fittings fixtures and equipment	- 15/25% Reducing balance
Motor vehicles	- 25/30% Reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Investment property

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis 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 and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Business combinations

Business combinations relating to acquiring control of trade and assets to form one or more businesses are accounted for using the purchase method.

The cost of a business combination is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Where control is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of each transaction in the series.

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination. If such expected future events do not occur, or the estimate needs to be revised, the cost of the business combination is adjusted accordingly. The unwinding of any discounting is recognised as a finance cost in profit or loss in the period it arises.

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

4. Turnover

Turnover arises from:

	Group	
	Year ended	Period ended
	31/12/22	31/12/21
	£	£
Sale of goods	2,054,588	950,258
Rendering of services	48,886,981	38,052,836
	<u>50,941,569</u>	<u>39,003,094</u>

An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Year ended	Period ended
	31/12/22	31/12/21
	£	£
United Kingdom	45,876,506	23,296,122
Europe	5,065,063	15,706,972
	<u>50,941,569</u>	<u>39,003,094</u>

5. Other operating income

	Group	
	Year ended	Period ended
	31/12/22	31/12/21
	£	£
Rental income	45,996	73,383
HMRC Job retention scheme receipts	-	48,610
Government grant income	61,353	78,145
Other operating income	218	55
	<u>107,567</u>	<u>200,193</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

6. Operating profit/loss

Group

Operating profit/loss is stated after charging/(crediting):

	Year ended 31/12/22 £	Period ended 31/12/21 £
Amortisation of intangible assets	12,569	9,069
Depreciation of tangible assets	508,758	565,894
(Gain)/loss on disposal of tangible assets	(1,115,418)	44,344
Impairment of trade debtors	1,687	(19,307)
Operating lease rentals	388,478	523,945
Group loan waived	-	14,574,953
	<u> </u>	<u> </u>

7. Auditors remuneration

	Group Year ended 31/12/22 £	Period ended 31/12/21 £
--	---	----------------------------------

Fees payable to Carson and Trotter Chartered Accountants

Fees payable for the audit of the financial statements	4,000	4,000
	<u> </u>	<u> </u>
Fees payable to the company's auditor and its associates for other services:		
Audit of the financial statements of subsidiaries	14,325	14,688
Other assurance services	-	10,000
Other non-audit services	-	2,061
	<u>14,325</u>	<u>26,749</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

8. Staff costs

Group

The average number of persons employed by the group during the year, including the directors, amounted to:

	Year ended 31/12/22	Period ended 31/12/21
Management and administration	39	28
Production	96	93
	<u>135</u>	<u>121</u>

Group

The aggregate payroll costs incurred during the year were:

	Year ended 31/12/22 £	Period ended 31/12/21 £
Wages and salaries	4,325,260	5,148,196
Social security costs	440,596	456,751
Other pension costs	124,611	150,621
	<u>4,890,467</u>	<u>5,755,568</u>

9. Directors remuneration

Group

The directors' aggregate remuneration in respect of qualifying services was:

	Year ended 31/12/22 £	Period ended 31/12/21 £
Remuneration	<u>200,000</u>	<u>111,910</u>

Remuneration of the highest paid directors in respect of qualifying services:

	Year ended 31/12/22 £	Period ended 31/12/21 £
Aggregate remuneration	70,000	-
Company contributions to pension plans in respect of qualifying services	11,000	-
	<u>81,000</u>	<u>-</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

10. Exceptional items

	Group	
	Year	Period
	ended	ended
	31/12/22	31/12/21
	£	£
Group loan waived	-	14,574,953
	<u> </u>	<u> </u>

During the previous period, a subsidiary of the group, demerged its activities and transferred assets to various connected companies giving rise to a loan balance. This has been subsequently written off by each connected company.

11. Other interest receivable and similar income

	Group	
	Year	Period
	ended	ended
	31/12/22	31/12/21
	£	£
Bank deposits	10,718	358
	<u> </u>	<u> </u>

12. Interest payable and similar expenses

	Group	
	Year	Period
	ended	ended
	31/12/22	31/12/21
	£	£
Other loans made to the company:		
Finance leases and hire purchase contracts	365	6,729
Other interest payable and similar expenses	2,005	-
	<u> </u>	<u> </u>
	<u>2,370</u>	<u>6,729</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

13. Tax on profit/loss

Group

Major components of tax expense

	Year ended 31/12/22 £	Period ended 31/12/21 £
Current tax:		
UK current tax expense	75,156	997,212
Adjustments in respect of previous periods	(272,628)	-
Total UK current tax	<u>(197,472)</u>	<u>997,212</u>
Deferred tax:		
Origination and reversal of timing differences	687,668	609,654
Tax on profit/loss	<u>490,196</u>	<u>1,606,866</u>

Reconciliation of tax expense

The tax assessed on the profit/loss for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

	Year ended 31/12/22 £	Period ended 31/12/21 £
Profit/(loss) before taxation	<u>3,000,084</u>	<u>(9,923,051)</u>
Profit/(loss) multiplied by rate of tax	570,016	(1,885,380)
Adjustments in respect of prior periods	(272,628)	-
Effect of expenses not deductible for tax purposes	-	2,870,406
Effect of capital allowances and depreciation	(557,093)	2,957
Unrelieved tax losses	62,233	9,229
Deferred tax movement	687,668	609,654
Tax on profit/loss	<u>490,196</u>	<u>1,606,866</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

14. Dividends

Group and company

Equity dividends

	Year ended 31/12/22 £	Period ended 31/12/21 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior period)	4,000,000	2,949,657

15. Intangible assets

	Goodwill	Group Negative Goodwill	Total
	£	£	£
Cost			
At 1st January 2022	747,411	(328,362)	419,049
Additions	70,000	-	70,000
At 31st December 2022	<u>817,411</u>	<u>(328,362)</u>	<u>489,049</u>
Amortisation			
At 1st January 2022	74,741	(65,672)	9,069
Charge for the year	78,241	(65,672)	12,569
At 31st December 2022	<u>152,982</u>	<u>(131,344)</u>	<u>21,638</u>
Carrying amount			
At 31st December 2022	<u>664,429</u>	<u>(197,018)</u>	<u>467,411</u>
At 31st December 2021	<u>672,670</u>	<u>(262,690)</u>	<u>409,980</u>

Negative goodwill is being released to the profit and loss account over a period of five years. This reflects the period in which the non-monetary assets acquired will be depreciated or sold.

The company has no intangible assets.

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

16. Tangible assets	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Group Total
	£	£	£	£	£
Cost					
Brought forward on acquisition	11,918,169	18,759,172	12,186	825,253	31,514,780
Additions	800	2,378,120	66,072	38,000	2,482,992
Disposals	-	(712,022)	-	(596,757)	(1,308,779)
At 31st December 2022	<u>11,918,969</u>	<u>20,425,270</u>	<u>78,258</u>	<u>266,496</u>	<u>32,688,993</u>
Depreciation					
Brought forward on acquisition	433,803	15,988,331	5,474	594,692	17,022,300
Charge for the year	-	471,077	6,779	30,902	508,758
Disposals	-	(584,741)	-	(477,135)	(1,061,876)
At 31st December 2022	<u>433,803</u>	<u>15,874,667</u>	<u>12,253</u>	<u>148,459</u>	<u>16,469,182</u>
Carrying amount					
At 31st December 2022	<u>11,485,166</u>	<u>4,550,603</u>	<u>66,005</u>	<u>118,037</u>	<u>16,219,811</u>
At 31st December 2021	<u>11,484,366</u>	<u>2,770,841</u>	<u>6,712</u>	<u>230,561</u>	<u>14,492,480</u>

The company has no tangible assets.

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery	Motor vehicles
	£	£
At 31st December 2022	<u>-</u>	<u>58,715</u>
At 31st December 2021	<u>58,640</u>	<u>169,754</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

17. Investments

	Group Shares in group undertakings	Company Shares in group undertakings
	£	£
Cost		
At 1st January 2022	-	14,334,629
At 1st January 2022 and 31st December 2022	<u>-</u>	<u>14,334,629</u>
Impairment		
At 1st January 2022 and 31st December 2022	<u>-</u>	<u>-</u>
Carrying amount		
At 31st December 2022	<u>-</u>	<u>14,334,629</u>
At 31st December 2021	<u>-</u>	<u>14,334,629</u>

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Dundas Chemical Company (Mosspark) Limited	Mosspark, Brasswell, Dumfries, DG1 4PH.	Ordinary	100
Northern Fallen Stock Ltd	The Knackery, Northside Road, Workington, Cumbria, CA14 1BE.	Ordinary	100
Caledonian Petfoods Limited	Mosspark, Brasswell, Dumfries, DG1 4PH.	Ordinary	100
Caledonian Hides Limited	Mosspark, Brasswell, Dumfries, DG1 4PH.	Ordinary	100
North East Fallen Stock Ltd	Mosspark, Brasswell, Dumfries, DG1 4PH.	Ordinary	100

Both Caledonian Hides Limited and North East Fallen Stock Limited have been excluded from the consolidated financial statements as they are both dormant subsidiaries and as such they are not material to the group.

18. Stocks

	Group	
	31/12/22	31/12/21
	£	£
Finished goods and goods for resale	403,056	283,822
Consumables	403,615	-
	<u>806,671</u>	<u>283,822</u>

19. Debtors

	Group	
	31/12/22	31/12/21
	£	£
Trade debtors	3,523,372	2,792,014
Amounts owed by undertakings in which the company has a participating interest	14,000	-
Prepayments and accrued income	14,286	562,343
Other debtors	559,715	243,352
	<u>4,111,373</u>	<u>3,597,709</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

20. Cash and cash equivalents

	Group	
	31/12/22	31/12/21
	£	£
Cash at bank and in hand	3,130,435	4,493,989
	<u> </u>	<u> </u>

21. Creditors: amounts falling due within one year

	Company	Group	
	31/12/22	31/12/22	31/12/21
		£	£
Bank loans and overdrafts	-	-	11,934
Other loans		92,719	50,000
Trade creditors	-	6,198,331	3,134,021
Amounts owed to undertakings in which the company has a participating interest	574,001	14,000	280,001
Accruals and deferred income		1,024,341	1,530,582
Corporation tax	-	75,149	399,716
Social security and other taxes	-	802,814	514,022
Obligations under finance leases	-	16,667	79,723
Other creditors	-	417,410	315,051
	<u>574,001</u>	<u>8,641,431</u>	<u>6,315,050</u>

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

	Group	
	31/12/22	31/12/21
	£	£
Obligations under finance leases	13,888	80,104
	<u> </u>	<u> </u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

23. Obligations under finance leases

Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	Group	
	31/12/22	31/12/21
	£	£
Not later than 1 year	16,667	79,723
Later than 1 year and not later than 5 years	13,889	80,104
	<u>30,556</u>	<u>159,827</u>
Less: future finance charges	-	(13,069)
Present value of minimum lease payments	<u>30,556</u>	<u>146,758</u>

24. Provisions

Group

Deferred tax
(note 25)

	£
At 1st January 2022	2,579,255
Charges against provisions	687,668
At 31st December 2022	<u><u>3,266,923</u></u>

25. Deferred tax

Group

The deferred tax included in the statement of financial position is as follows:

	31/12/22	31/12/21
	£	£
Included in provisions (note 24)	<u>3,266,923</u>	<u>2,579,255</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	31/12/22	31/12/21
	£	£
Accelerated capital allowances	1,183,663	495,995
Revaluation of tangible assets	2,083,260	2,083,260
	<u>3,266,923</u>	<u>2,579,255</u>

Dundas Rendering Limited

Notes to the financial statements (continued)
Year ended 31st December 2022

26. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £124,611 (2021: £150,621).

27. Government grants

	Group	
The amounts recognised in the financial statements for government grants are as follows:	31/12/22	31/12/21
	£	£
Recognised in creditors:		
Deferred government grants due within one year	347,666	409,019
Recognised in other operating income:		
Government grants recognised directly in income	61,353	78,145

**28. Called up share capital
Issued and fully paid**

Group	31/12/22		31/12/21	
	No	£	No	£
Ordinary shares of £ 1.00 each	13,774,628	13,774,628	13,774,628	13,774,628

29. Reserves

Profit and loss account:
This reserve records retained earnings and accumulated losses.

Revaluation reserve:
This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

30. Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash and cash equivalents	4,493,989	(1,363,554)	3,130,435
Bank overdrafts	(11,934)	11,934	-
Debt due within one year	(409,724)	286,338	(123,386)
Debt due after one year	(80,104)	66,216	(13,888)
	<u>3,992,227</u>	<u>(999,066)</u>	<u>2,993,161</u>

Dundas Rendering Limited

Notes to the financial statements (continued) Year ended 31st December 2022

31. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	31/12/22	31/12/21
	£	£
Not later than 1 year	168,128	422,410
Later than 1 year and not later than 5 years	8,555	176,683
	<u>176,683</u>	<u>599,093</u>

32. Related party transactions

During the year the group entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	Year ended	Period ended	Year ended	Period ended
	31/12/22	31/12/21	31/12/22	31/12/21
	£	£	£	£
Sales to entity controlled by a director	289,024	303,627	36,510	2,334
Purchases from entity controlled by a director	10,631,115	4,702,748	(1,273,395)	(891,748)
Transfer of assets to connected companies	-	14,727,852	-	-
Transfer of liabilities to connected companies	-	152,899	-	-
Loans to connected companies	-	-	2,118	2,118
	<u>-</u>	<u>-</u>	<u>2,118</u>	<u>2,118</u>

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31st December 2022, the group has not made any provision for doubtful debts relating to amounts owed by a related party (2021: nil).

33. Controlling party

Dundas Rendering Limited is the only company within the group of companies for which group financial statements are drawn up. Dundas Rendering Limited is owned jointly between the Bogie Family, consisting of Mr John Bogie, Mrs Fiona Bogie, Mr Stephen Bogie and Mr David Bogie and Lincoln Protein Holdings Limited.