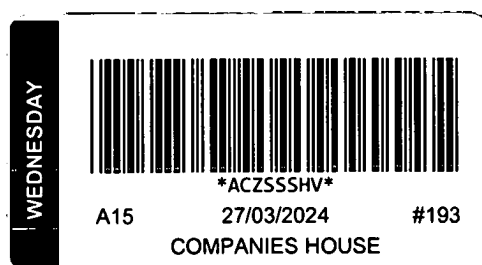


COMPANY REGISTRATION NUMBER: 02046398

RESOURCES MANAGEMENT U.K. LIMITED
FINANCIAL STATEMENTS
30 JUNE 2023



RESOURCES MANAGEMENT U.K. LIMITED

FINANCIAL STATEMENTS

Year ended 30 June 2023

CONTENTS	PAGE
Officers and professional advisers	1
Strategic report	2
Directors' report	5
Independent auditor's report to the members	7
Profit and loss account	11
Balance sheet	12
Notes to the financial statements	13

RESOURCES MANAGEMENT U.K. LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr D J Neal

Mr L D Neal

Registered office

Atlantic Eco Park

Newton Road

Rumney

Cardiff

CF3 2EJ

Auditor

Kilsby & Williams LLP

Chartered Accountants & statutory auditor

Cedar House

Hazell Drive

Newport

NP10 8FY

RESOURCES MANAGEMENT U.K. LIMITED

STRATEGIC REPORT

Year ended 30 June 2023

BUSINESS REVIEW

The directors consider that the results for the year and the financial position to be satisfactory. The company continues to increase revenue year on year for the 2023 Year end.

Resources Management (UK) Ltd ("RML") acquired by the group in 2022 achieved £11,358,185 Revenue (2022: £9,156,454 -14 Months) and a pre-tax profit £497,723 (£557,138). A multi-use site located at Withy hedge, Pembrokeshire that has future opportunities to be developed into an energy park which could include biogas electricity generation and solar.

RML's principal activity is recycling and waste management; the site comprises a large materials recycling facility (MRF), and a landfill operation. The Company's objective continues to be recycling, recovery and production of alternative fuels.

Although the quantity waste to landfill in general has been dramatically reduced over the past 10 years in line with both UK and Welsh Government policy and targets, landfills still play a crucial role in managing unrecyclable wastes. It's important to note that modern landfill practices are designed to minimize environmental harm and adhere to strict regulations to protect human health and the environment. Recycling, waste reduction, and other sustainable waste management practices are also encouraged to reduce the reliance on landfills for waste disposal.

Since acquiring RML in 2022, the Group has invested heavily in technology, plant and infrastructure, including the installation of 2 new and more efficient gas engines and the expansion of the gas collection network. The methane gas produced by the decomposition of organic waste is converted into green, renewable energy in the form of electricity which is fed back into the National Grid.

The Company's customers continue to range from national house builders, civil engineers, developers to local authorities. It also plays an important role interacting and trading with other Group companies as a wholly owned subsidiary of Dauson Environmental Group Ltd. The company's strategy is to maintain profitability and continue to invest in site infrastructure and post-closure preparation. The overall environmental impact and sustainability of the landfill operations will depend on responsible management practices, proper engineering and design, and strict adherence to environmental regulations.

This financial period has also been influenced by various factors:

- Site engineering and improved infrastructure and accessibility.
- Investment in additional gas-powered electricity generator.

RECENT DEVELOPMENTS

As a part of the company's commitment to become a good neighbour, enhancing communication and social values, it has retained Grasshopper Communications to act as our Community Engagement Partner. The Community are naturally inquisitive as to the operations at Withy hedge, and we see Grasshopper as being the conduit between the company and the Community. We have already conducted an initial meeting where we have introduced ourselves and our ambitions for the site and fielded numerous questions and concerns; we anticipate that we will be able to arrange a site visit for a delegation of local residents in 2024 where we can better explain our vision. Grasshopper will manage regular information updates and arrange additional forums; our intension is to make the Community feel more informed, engaged, considered and 'listened to'.

CRITICAL ISSUES FACING THE COMPANY

As the landfilling operation is still the predominant revenue stream for the business, diminishing tonnages arising as a result of both UK and Welsh Government legislation as it strives towards nett zero waste and carbon neutral strategies will have a direct impact on future revenues.

RESOURCES MANAGEMENT U.K. LIMITED

STRATEGIC REPORT *(continued)*

Year ended 30 June 2023

While we anticipate that tonnages will remain constant in the short to medium term due to the continual requirement for landfill in the absence of an alternative for certain waste streams, and the fact that tonnage is being diverted from other closing landfills and the lack of new landfills, there is no doubt that a site utilisation plan which is 'fit for the future' needs to be considered.

The company will still maintain a legal obligation for the custodianship of the site long after the last waste has been landfilled and capped, the site will also continue to produce and harvest the bio-gas and produce green electricity during this period. We anticipate that other renewable energy initiatives will be our principal focus for the site and we will continue to assess and evaluate different options.

INTERNAL ANALYSIS

The Company continues to be strong in experience and management resources. The management have a positive track record with its ability to react quickly with innovative solutions.

EXTERNAL ANALYSIS

The Company maintains a unique position in its sector where landfill site facilities are limited with entry costs high. Landfills provide a means of dealing with non-recyclable, non-compostable waste materials that currently have no other sustainable disposal options.

The overall environmental impact and sustainability of landfill operations depend on responsible management practices, proper engineering and design, and strict adherence to environmental regulations.

ENVIRONMENTAL POLICY

The Group is committed to minimising its effect on the environment and understands that it must be proactive with environmental issues. This shall be achieved by applying and regularly reviewing the following policy items via the Business Objectives Monitor which includes the Environmental Aspects reduction Plan:

- Comply with/exceed the requirements of environmental legislation and approved codes of practice.
- Assess the environmental impact of all historic, current and likely future operations.
- Continuously seek to improve environmental performance.
- Strive to prevent pollution, emissions, and waste.
- Minimise the use of all raw materials, energy, and supplies.
- Raise awareness, encourage participation, and train employees in environmental matters.
- Expect similar environmental standards from all suppliers and contractors.
- Assist customers to use our services in an environmentally sensitive way.
- Liaise with the local community.
- Participate in discussions about environmental issues.

In addition to the above points, the Group will ensure that it keeps to the forefront of environmental awareness and will endeavour to only use natural or at the very least, bio-degradable/sustainable materials.

This Environmental Policy is appropriate to the purpose and context of the organisation, including the nature, scale and environmental impacts of its activities, products and services and is reviewed annually.

RESOURCES MANAGEMENT U.K. LIMITED

STRATEGIC REPORT *(continued)*

Year ended 30 June 2023

FINANCIAL PERFORMANCE

The Company's financial performance for the last 3 years is summarized as follows:

	Audited 2021	14 Months Audited 2022	Audited 2023
	£'000	£'000	£'000
Turnover	7,735	9,156	11,358
Profit/(loss) before tax	601	557	1,264
Shareholders' funds	3,627	108	1,077

POST BALANCE SHEET EVENTS

There are no events that occurred since the year end which requires reporting or disclosing in the financial statements.

FUTURE DEVELOPMENTS

The Company is expected to continue to trade profitably during 2023/24. Continued investment in site infrastructure and engineering for post-closure when existing landfill cells reach capacity funded by the Dawson Group.

RESULTS AND DIVIDEND

The profit after taxation of the Company for the year amounted to £968,894 (2022: £480,843).

The directors have not recommended a dividend.

FIXED ASSETS

In the opinion of the directors no fixed assets have a significant difference in value between the book value reported and the market value.

This report was approved by the board of directors on 20 March 2024 and signed on behalf of the board by:



Mr D J Neal
Director

RESOURCES MANAGEMENT U.K. LIMITED

DIRECTORS' REPORT

Year ended 30 June 2023

The directors present their report and the financial statements of the company for the year ended 30 June 2023.

Directors

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

Mr D J Neal
Mr L D Neal

Dividends

Particulars of recommended dividends are detailed in note 9 to the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 I set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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;
- 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.

RESOURCES MANAGEMENT U.K. LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 30 June 2023

This report was approved by the board of directors on 20 March 2024 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'D J Neal'.

Mr D J Neal
Director



**KILSBY
WILLIAMS**
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESOURCES MANAGEMENT U.K. LIMITED

Year ended 30 June 2023

Opinion

We have audited the financial statements of Resources Management U.K. Limited (the 'company') for the year ended 30 June 2023 which comprise the profit and loss account, balance sheet and the related notes, 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 company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESOURCES
MANAGEMENT U.K. LIMITED (continued)**

Year ended 30 June 2023

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. 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESOURCES
MANAGEMENT U.K. LIMITED (continued)**

Year ended 30 June 2023

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.

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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESOURCES
MANAGEMENT U.K. LIMITED (continued)**

Year ended 30 June 2023

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 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 our auditor's report. However, future events or conditions may cause the 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.

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.

Simon Tee

Simon Tee (Senior Statutory Auditor)

20th March 2024

For and on behalf of

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

RESOURCES MANAGEMENT U.K. LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2023

		Year to 30 Jun 23 £	Period from 1 May 21 to 30 Jun 22 £
TURNOVER	Note 4	11,358,185	9,156,454
Cost of sales		(8,101,036)	(6,585,595)
GROSS PROFIT		3,257,149	2,570,859
Administrative expenses		(1,945,244)	(1,881,533)
OPERATING PROFIT	5	1,311,905	689,326
Interest payable and similar expenses	7	(47,142)	(132,188)
PROFIT BEFORE TAXATION		1,264,763	557,138
Tax on profit	8	(295,899)	(76,295)
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>968,864</u>	<u>480,843</u>
Dividends paid and payable	9	–	(4,000,000)
RETAINED EARNINGS AT THE START OF THE YEAR		<u>107,747</u>	<u>3,626,904</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>1,076,611</u>	<u>107,747</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 21 form part of these financial statements.

RESOURCES MANAGEMENT U.K. LIMITED

BALANCE SHEET

30 June 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	10	4,300,135	3,046,801
CURRENT ASSETS			
Debtors	11	4,769,437	2,029,362
Cash at bank and in hand		100	211,620
		<u>4,769,537</u>	<u>2,240,982</u>
CREDITORS: amounts falling due within one year	12	<u>(4,027,905)</u>	<u>(2,432,404)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>741,632</u>	<u>(191,422)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,041,767</u>	<u>2,855,379</u>
CREDITORS: amounts falling due after more than one year	13	<u>(477,590)</u>	<u>(164,527)</u>
PROVISIONS	15	<u>(3,486,906)</u>	<u>(2,582,445)</u>
NET ASSETS		<u><u>1,077,271</u></u>	<u><u>108,407</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	660	660
Profit and loss account		<u>1,076,611</u>	<u>107,747</u>
SHAREHOLDERS FUNDS		<u><u>1,077,271</u></u>	<u><u>108,407</u></u>

These financial statements were approved by the board of directors and authorised for issue on 20 March 2024, and are signed on behalf of the board by:



Mr D J Neal
Director

Company registration number: 02046398

The notes on pages 13 to 21 form part of these financial statements.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Atlantic Eco Park, Newton Road, Rumney, Cardiff, CF3 2EJ.

2. STATEMENT OF COMPLIANCE

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

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of (enter name of group financial statements) which can be obtained from (enter detail). As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

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.

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.

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 provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

3. ACCOUNTING POLICIES *(continued)*

Taxation

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

Tangible assets

Tangible assets are initially recorded at cost, and 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 equity, 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 equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity 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	-	12% straight line
Plant and machinery	-	6.7% - 50% Straight line
Fixtures and fittings	-	33% straight line
Motor vehicles	-	20% straight line

Impairment of fixed assets

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.

For the purposes of impairment testing, 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 largely independent of the cash inflows from other assets or groups of assets.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

3. ACCOUNTING POLICIES *(continued)*

Impairment of fixed assets *(continued)*

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.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet 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.

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.

Provisions are in place for environmental and landfill costs, these include provisions associated with the closure and post closure of the landfill site. The company estimates its total future requirements for closure costs and post closure monitoring and maintenance of the site after the anticipated closure.

A provision is made for the final capping, inspection, monitoring, operating and maintenance costs to be incurred during the period after which the site closes.

Post closure provisions have been shown at net present value.

The company provided for full closure costs as the voidspace is used and a full provision has been made for the company's maximum unavoidable costs.

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.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

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.

4. TURNOVER

Turnover arises from:

	Year to 30 Jun 23	Period from 1 May 21 to 30 Jun 22
	£	£
Rendering of services	11,358,185	9,156,454

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	Year to 30 Jun 23	Period from 1 May 21 to 30 Jun 22
	£	£
Depreciation of tangible assets	467,334	915,809
Gains on disposal of tangible assets	(36,158)	(5,775)

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

6. STAFF COSTS

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

	2023 No.	2022 No.
Production staff	<u>12</u>	<u>10</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	Year to 30 Jun 23 £	Period from 1 May 21 to 30 Jun 22 £
Wages and salaries	<u>346,317</u>	<u>316,100</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year to 30 Jun 23 £	Period from 1 May 21 to 30 Jun 22 £
Interest on obligations under finance leases and hire purchase contracts	47,142	32,037
Other interest payable and similar charges	<u>—</u>	<u>100,151</u>
	<u>47,142</u>	<u>132,188</u>

8. TAX ON PROFIT

Major components of tax expense

	Year to 30 Jun 23 £	Period from 1 May 21 to 30 Jun 22 £
Current tax:		
UK current tax income	(42,488)	—
Adjustments in respect of prior periods	<u>—</u>	<u>(884)</u>
Total current tax	<u>(42,488)</u>	<u>(884)</u>
Deferred tax:		
Origination and reversal of timing differences	<u>338,387</u>	<u>77,179</u>
Tax on profit	<u>295,899</u>	<u>76,295</u>

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

8. TAX ON PROFIT *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	Year to 30 Jun 23	Period from 1 May 21 to 30 Jun 22
	£	£
Profit on ordinary activities before taxation	1,264,763	557,138
Profit on ordinary activities by rate of tax	259,276	105,856
Adjustment to tax charge in respect of prior periods	–	(236)
Effect of expenses not deductible for tax purposes	(8,938)	(10,815)
Effect of capital allowances and depreciation	12,823	11,774
Effect of different UK tax rates on some earnings	60,910	2,472
Super-deduction	(28,172)	(32,756)
Tax on profit	295,899	76,295

9. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2023	2022
	£	£
Dividends on equity shares	–	4,000,000

10. TANGIBLE ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 July 2022	2,899,249	6,316,234	26,213	55,117	9,296,813
Additions	–	3,002,538	–	–	3,002,538
Disposals	–	(374,366)	–	–	(374,366)
At 30 June 2023	2,899,249	8,944,406	26,213	55,117	11,924,985
Depreciation					
At 1 July 2022	1,907,994	4,295,870	23,437	22,710	6,250,011
Charge for the year	62,551	1,486,890	1,418	9,255	1,560,114
Disposals	–	(185,275)	–	–	(185,275)
At 30 June 2023	1,970,545	5,597,485	24,855	31,965	7,624,850
Carrying amount					
At 30 June 2023	928,704	3,346,921	1,358	23,152	4,300,135
At 30 June 2022	991,255	2,020,364	2,776	32,407	3,046,802

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

10. TANGIBLE ASSETS *(continued)*

Finance leases and hire purchase contracts

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 £	Total £
At 30 June 2023	1,995,023	23,151	2,018,174
At 30 June 2022	426,778	–	426,778

11. DEBTORS

	2023 £	2022 £
Trade debtors	868,949	1,038,692
Amounts owed by group undertakings	3,592,793	600,634
Prepayments and accrued income	307,695	360,082
Other debtors	–	29,954
	<u>4,769,437</u>	<u>2,029,362</u>

12. CREDITORS: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	1,395,124	–
Trade creditors	751,702	888,817
Accruals and deferred income	13,318	16,975
Social security and other taxes	478,526	168,248
Obligations under finance leases and hire purchase contracts	1,003,486	267,545
Other creditors	385,749	1,090,819
	<u>4,027,905</u>	<u>2,432,404</u>

The following balance included in creditors due within one year is secured on the assets it relates to:

	2023 £	2022 £
Hire purchase and finance lease agreements	<u>1,003,486</u>	<u>267,545</u>

13. CREDITORS: amounts falling due after more than one year

	2023 £	2022 £
Obligations under finance leases and hire purchase contracts	<u>477,590</u>	<u>164,527</u>

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 30 June 2023

13. CREDITORS: amounts falling due after more than one year *(continued)*

The following balance included in creditors due after more than one year is secured on the assets it relates to:

	2023	2022
	£	£
Hire purchase and finance lease agreements	477,590	164,527

14. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	1,074,231	298,762
Later than 1 year and not later than 5 years	492,081	174,186
	1,566,312	472,948
Less: future finance charges	(85,236)	(40,876)
Present value of minimum lease payments	1,481,076	432,072

15. PROVISIONS

	Deferred tax (note 16)	Landfill Provision	Total
	£	£	£
At 1 July 2022	10,298	2,572,147	2,582,445
Additions	338,387	566,074	904,461
At 30 June 2023	348,685	3,138,221	3,486,906

A provision has been made for the capping, closure and post closure costs in relation to the landfill site restoration and maintenance in accordance with the accounting policy set out in note 3. The company expects these costs to be included over the next 47 years.

16. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023	2022
	£	£
Included in provisions (note 15)	348,685	10,298

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

	2023	2022
	£	£
Accelerated capital allowances	348,685	10,298

17. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>660</u>	<u>660</u>	<u>660</u>	<u>660</u>

18. CONTINGENCIES

The company has provided a guarantee in connection with Dauson Environmental Group Limited's group bank facility. The guarantee is unlimited and takes the form of debentures, fixed charge and floating charge covering the assets of the company for current and future periods. The group also has a right of set off across bank balances held.

The company has provided a cross guarantee in connection with Dauson Environmental Group Limited's loan facility. This is in the form of a debenture and a limited guarantee. The directors do not expect any liability to arise from this.

19. CONTROLLING PARTY

The controlling party is Dauson Environmental Group Limited. The ultimate controlling party is Mr D J Neal.

Dauson Environmental Group Limited prepare the financial statements into which the results of Resources Management U.K Limited are consolidated. Their registered office is the same as Resources Management U.K Limited and the financial statements can be obtained from Companies House, Crown Way, Cardiff.