COMPANY REGISTRATION NUMBER 03765361

WHITES RECYCLING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

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COMPANIES HOUSE

WHITES RECYCLING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J A W Astor D Carr G M Duyk R W Collier
Registered office	The Mine Site Mill Lane South Witham Grantham Lincolnshire NG33 5QN
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX
Bankers	Barclays Bank Plc 49 Broad Street Stamford Lincolnshire PE9 1PZ

WHITES RECYCLING LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021. We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face.

The company continues with the strategy of generating the majority of its turnover through the disposal of sludge and liquid waste recycling services, mainly from food and drink processing outlets.

Turnover for the year has decreased by 19.0% to £16,280,786 (2020: £20,089,576). The gross profit margin has increased to 16.1% (2020: 15.4%) and the directors report a gross profit of £2,625,926 (2020: £3,086,040). The company's loss before taxation was £251,573 (2020: profit before taxation was £234,667).

Operational performance, during the year ended 31 March 2021, was impacted by COVID-19 with a number of existing customers reducing volumes and a small number temporarily closing plants to ensure the safety and wellbeing of their employees. COVID-19 affected the economy throughout the year and continues to do so as at the time of the publication of these statutory accounts During the year service levels have remained high ensuring minimal customer disruption.

The financial position at 31 March 2021 is detailed on page 11.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

FINANCIAL RISK MANAGEMENT POLICIES

The company faces a number of risks and the directors continue to mitigate these as far as possible. A summary of the key risks is as follow:

Credit risk

The company seeks to manage its credit risk by dealing with established customers or otherwise checking the creditworthiness of new customers, establishing clear contractual relationships with those customers and by identifying and addressing any credit issues arising in a timely manner.

Interest rate risk

The company's exposure to market risk for the changes in interest rates relates primarily to its bank borrowings. The company seeks to manage this risk by managing its variable rate by seeking competitive facilities.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities when required.

IMPACT OF COVID-19

The company was quick to modify and adapt workplaces and working practices in line with its own risk assessments and Government advice in relation to COVID-19. The company was therefore able safely to provide an uninterrupted service to its customers through this challenging period of prolonged lockdowns. Company staff showed great initiative and commitment in changing where and how they worked, and in supporting one another to accommodate the needs of the company's valued customers. The Government's evolving guidelines on COVID-19 continue to be monitored closely.

Signed on behalf of the directors

J A W ASTOR

Director

Approved by the directors on 12 November 2021

WHITES RECYCLING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2021

The directors present their report and the audited financial statements of the company for the period from 1 April 2020 to 31 March 2021.

RESULTS AND DIVIDENDS

The loss for the financial year, amounted to £262,006 (2020: profit of £194,248). The company did not declare a dividend in respect of the year ended 31 March 2021.

DIRECTORS

The directors who held office during the year and to the date of signing the financial statements, except where stated are as follows:

G M Duyk
J A W Astor
R W Collier
D Carr

SUBSEQUENT EVENTS

There are no subsequent events to report.

FUTURE DEVELOPMENTS

The directors continue to look for new areas of growth as well as ensuring full compliance with all regulatory developments. The company will explore new opportunities which are closely aligned to the core business or to improve its services to existing and new clients.

FINANCIAL RISK MANAGEMENT

Financial risk management is discussed in the strategic report.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

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

DIRECTORS' RESPONSIBILITIES STATEMENT *(continued)*

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

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

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

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

STRATEGIC REPORT

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to 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.

Registered office:
The Mine Site
Mill Lane
South Witham
Grantham
Lincolnshire
NG33 5QN

Signed on behalf of the directors

J A W ASTOR

Director

Approved by the directors on 12 November 2021

WHITES RECYCLING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WHITES RECYCLING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Whites Recycling Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2021; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Environmental Agency regulations, health and safety legislation, employment legislation and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of non-standard journal entries to the profit and loss account or manipulating accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- enquiries of management;
- reviewing legal expense accounts and board minutes;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- auditing the risk of management override of controls, including testing of non-standard journal entries and performing unpredictable procedures; and
- testing of accounting estimates which could be subject to management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Report on the audit of the financial statements (continued)

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Simon Evans

Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
12 November 2021

WHITES RECYCLING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
TURNOVER	4	**16,280,786**	20,089,576
Cost of sales		**(13,654,860)**	(17,003,536)
GROSS PROFIT		**2,625,926**	3,086,040
Administrative expenses		**(3,137,190)**	(2,829,946)
Other operating income		**274,000**	-
OPERATING (LOSS) / PROFIT	5	**(237,264)**	256,094
Interest receivable and similar income –other interest received		-	630
Interest payable and similar expenses	8	**(14,309)**	(22,057)
(LOSS) / PROFIT BEFORE TAXATION		**(251,573)**	234,667
Tax on (loss) / profit	9	**(10,433)**	(40,419)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		**(262,006)**	194,248

The company has no other comprehensive (expense) / income for the financial year other than those included above. Accordingly, no separate statement of comprehensive (expense)/ income is presented.

WHITES RECYCLING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	**10**		**791,769**		864,707
CURRENT ASSETS					
Inventories	**11**	**59,307**		100,858	
Debtors	**12**	**3,533,151**		4,211,612	
Cash at bank and in hand		**1,601**		7,748	
		3,594,059		4,320,218	
CREDITORS: Amounts falling due within one year	**13**	**(3,091,056)**		(3,638,580)	
NET CURRENT ASSETS			**503,003**		681,638
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,294,772**		1,546,345
PROVISIONS FOR LIABILITIES					
Deferred taxation	**14**		**(73,283)**		(62,850)
NET ASSETS			**1,221,489**		1,483,495
CAPITAL AND RESERVES					
Called up share capital	**18**		**100**		100
Profit and loss account			**1,221,389**		1,483,395
TOTAL EQUITY			**1,221,489**		1,483,495

These financial statements on pages 10 to 25 were approved by the directors and authorised for issue on 12 November 2021, and are signed on their behalf by:

J A W ASTOR

Company Registration Number: 03765361

WHITES RECYCLING LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	Called up Share capital £	Profit and loss account £	Total equity £
Balance as at 1 April 2019	100	1,289,147	1,289,247
Profit for the financial year and total comprehensive income	-	194,248	194,248
Dividends paid and total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 March 2020	100	1,483,395	1,483,495
Loss for the financial year and total comprehensive expense	–	(262,006)	(262,006)
Balance as at 31 March 2021	**100**	**1,221,389**	**1,221,489**

WHITES RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

Whites Recycling Limited ("the company") continues to derive the majority of its income through the disposal of sludge and liquid waste recycling services, mainly from food and drink processing outlets as well as local authorities. The company has its head-office and main operational site in South Witham.

The company is a private company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is The Mine Site, Mill Lane, South Witham, Grantham, Lincolnshire, NG33 5QN.

2. COMPLIANCE STATEMENT

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'' (''FRS 102'') and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company's functional and presentation currency is the pound sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of accounting estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Going concern

The directors have prepared financial forecasts showing that the company should be able to operate within the available bank facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing these financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. Exemptions under FRS 102 paragraph 1.12 have been applied: in relation to presentation of a cash flow statement, related party transactions, certain financial instrument disclosures and the non-disclosure of key management personnel compensation.

Cash flow statement

The company is a wholly owned subsidiary company of Whites Engineering Limited and is included in the consolidated financial statements of that company, which are publicly available at the company's registered office or Companies House. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 1.12(b).

Related party transactions

The company has taken advantage of the exemption granted under FRS 102 paragraph 1.12 (e) to not disclose transactions with other group companies where they are wholly owned by a common parent entity.

Turnover

The turnover shown in the profit and loss account represents the value of all work done during the period, exclusive of Value Added Tax. Turnover is recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the sale have been transferred to the customer.

Fixed assets

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is calculated, using the straight-line method, so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Properties & Lagoons	-	Over the period of the lease
Plant & Machinery	-	10 to 15 years
Fixtures & Fittings	-	3 to 5 years

Where there is evidence of impairment, fixed assets are written down to recoverable amounts. Any such write down would be charged to operating profit.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to sell on a first in, first out basis, after making due allowance for obsolete and slow moving items.

Leases

Arrangements which transfer substantially all the risks and rewards of the assets to the company are classified as finance leases. All other arrangements are classified as operating leases. Amounts payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Retirement benefits and pension costs: defined contribution schemes

The company makes contributions to a company defined contribution pension scheme and employee personal pension schemes. These contributions are charged to the profit and loss account in the period in which they become payable.

Share capital and distributions to equity holders

Ordinary shares are classified as equity. Dividends and other distributions to the company's shareholders is recognised as a liability in the financial statements in the period in which the dividend and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share based payments

Share based incentive arrangements are provided to certain employees. The directors have assessed the requirements of section 26 of FRS 102 and consider that its application would not change the financial results or position of the company by a material amount.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rates of interest.

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and regards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and amounts due from group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

Employee benefits

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

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

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make additional, e.g. bonus payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Government grants

Government grants (including the Coronavirus Job Retention Scheme) are recognised in the profit and loss account, as other operating income, on a systematic basis over the periods in which the company recognises expenses for the related costs for which the grants are intended to compensate.

4. TURNOVER

The turnover and (loss) / profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2021	2020
	£	£
United Kingdom	**16,280,786**	20,089,576

5. OPERATING (LOSS)/PROFIT

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

	2021	2020
	£	£
Depreciation of owned fixed assets	**160,056**	144,916
Profit on disposal of fixed assets	**-**	(550)
Operating lease rentals	**2,427,665**	2,516,874
Inventory recognised as an expense	**2,870,187**	3,485,728
Other operating income – Coronavirus Job Retention Scheme	**(274,000)**	-
Auditors' remuneration		
- for audit services	**22,900**	22,245
- for other services	**-**	-

6. PARTICULARS OF EMPLOYEES

The monthly average number of staff employed by the company during the financial year amounted to:

	2021	2020
	No	No
Number of drivers and operational staff	**121**	134
Number of sales and administrative staff	**12**	14
Number of management staff	**3**	2
	136	150

The aggregate payroll costs of the above were:

	2021	2020
	£	£
Wages and salaries	**4,688,630**	5,360,230
Social security costs	**500,219**	540,360
Other pension costs	**107,516**	113,027
	5,296,365	6,013,617

7. DIRECTORS' REMUNERATION

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

	2021	2020
	£	£
Aggregate remuneration (including benefits in kind)	**236,002**	267,116
Company pension contributions to defined contribution schemes	**4,172**	4,053
Compensation for loss of office	-	-
	240,174	271,169

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020: 1).

Aggregate emoluments include total emoluments of £179,340 (2020: £154,983) for the highest paid director excluding pension contributions of £4,412 (2020: £4,053).

Directors' emoluments include £240,174 (2020: £271,169) that are borne by Regen Holdings Limited and recharged to the company by way of a management charge.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Interest payable on bank borrowings	**14,309**	22,057

9. TAX ON (LOSS) / PROFIT

(a) Analysis of charge in the year

	2021	2020
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2020: 19%)	-	-
Adjustments in respect of prior periods	-	4,510
Total current tax	-	4,510
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	**16,908**	47,939
Other timing differences	**(6,475)**	(15,200)
Differences in tax rates	-	3,170
Total deferred tax	**10,433**	35,909
Tax charge on (loss) / profit	**10,433**	40,419

(b) Factors affecting total tax charge

The tax assessed on the (loss) / profit for the year is higher (2020: lower) than the standard rate of corporation tax in the UK of 19 % (2020: 19%).

	2021	2020
	£	£
(Loss) / profit before taxation	**(251,573)**	234,667
(Loss) / profit before tax multiplied by the standard rate of tax	**(47,799)**	44,587
Expenses not deductible for tax purposes	**359**	2,395
Adjustments in respect of prior periods	-	4,510
Losses brought forward	-	(7,470)
Group relief claimed	-	(1,997)
Consortium relief claimed	-	(30,147)
Other differences	**20,055**	28,541
Losses available for carry forward not recognised	**37,818**	-
Total tax charge	**10,433**	40,419

WHITES RECYCLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

9. TAX ON (LOSS) / PROFIT *(continued)*

Factors affecting the tax rate in future years

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted until after the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax charge and deferred tax liability by £23,142.

10. TANGIBLE ASSETS

	Properties & Lagoons	Plant & Machinery	Fixtures & Fittings	Total
	£	£	£	£
COST				
At 1 April 2020	1,200,159	109,969	148,544	1,458,672
Additions	70,027	5,268	11,823	87,118
Disposals	(19,262)	-	(10,175)	(29,437)
At 31 March 2021	**1,250,924**	**115,237**	**150,192**	**1,516,353**
ACCUMULATED DEPRECIATION				
At 1 April 2020	407,485	78,167	108,313	593,965
Charge for the year	137,353	4,592	18,111	160,056
Disposals	(19,262)	-	(10,175)	(29,437)
At 31 March 2021	**525,576**	**82,759**	**116,249**	**724,584**
NET BOOK AMOUNT				
At 31 March 2021	**725,348**	**32,478**	**33,943**	**791,769**
At 31 March 2020	792,674	31,802	40,231	864,707

Properties & Lagoons represents improvements made to properties & lagoons held on short leasehold properties.

11. INVENTORIES

	2021	2020
	£	£
Fuel and consumables	**59,307**	100,858

There is no significant difference between the replacement cost of fuel and consumables and their carrying amounts. Inventories are stated after provisions of £nil (2020: £nil).

12. DEBTORS

	2021	2020
Amounts due within one year:	**£**	£
Trade debtors	**2,258,671**	3,045,109
Amounts owed by group undertakings	**460,942**	463,811
Prepayments and accrued income	**813,538**	702,692
	3,533,151	4,211,612

Trade debtors are stated after provisions for impairment of £10,115 (2020: £27,567).

Amounts owed by group undertakings are unsecured, interest free and repayable within one year.

13. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	**437,550**	805,045
Trade creditors	**1,345,294**	1,617,898
Amounts owed to group undertakings	**73,395**	72,150
Other taxation and social security	**773,929**	526,950
Other creditors	**30,441**	31,119
Accruals and deferred income	**430,447**	585,418
	3,091,056	3,638,580

The bank overdrafts are secured by a fixed and floating charge dated 28 July 2015 and a cross guarantee and debenture by and between Whites Engineering Limited and Whites Recycling Limited.

Amounts owed to group undertakings are unsecured, interest free and repayable within one year.

14. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2021	2020
	£	£
Provision brought forward	**62,850**	26,941
Profit and loss account movement arising during the year	**10,433**	35,909
Provision carried forward	**73,283**	62,850

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Excess of taxation allowances over depreciation on fixed assets	**79,758**	78,050
Other timing differences	**(6,475)**	(15,200)
	73,283	62,850

15. COMMITMENTS UNDER OPERATING LEASES

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	**429,679**	595,590
Later than 1 and before 5 years	**453,803**	761,832
Later than 5 years	**255,469**	381,833
	1,138,951	1,739,255

16. CONTINGENCIES

A cross guarantee and debenture is in place between Whites Engineering Limited and Whites Recycling Limited, dated 24 November 2009, in respect of the banking facilities of both companies.

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption for disclosure of transactions between group companies.

During the year, the company made sales totalling £78,529 (2020: £67,336) to Axil Integrated Services Limited (Axil), a company in which Regen Holdings Limited indirectly has a 70% financial interest. An amount of £25,367 (2020: £7,299) was outstanding at the year-end. During the year, the company also made purchases totalling £18,585 (2020: £5,301) from Axil. At the year end, the company owed Axil £749 (2020: £1,213).

During the year, the company sold management services totalling £189,902 (2020: £186,824) to Fernbrook Bio Limited, a company in which Regen Holdings Limited has a financial interest under a joint venture arrangement and of which J A W Astor is a director. In addition, the company made sales during the year totalling £251,370 to Fernbrook Bio Limited (2020: £109,844). At the year- end, Fernbrook Bio Limited owed the company £38,817 (2020: £188,519). During the year, Fernbrook Bio Limited provided services totalling £80,154 (2020: £21,955) to the company. An amount of £7,716 was outstanding at the year- end (2020: £nil). At 31 March 2021, the company owed an amount of £3,631 (2020: £3,631) to Fernbrook Bio Limited in respect of tax losses surrendered by way of consortium relief.

At 31 March 2021, the company owed an amount of £1,299 (2020: £1,299) to Whites Generation Limited, the immediate parent company of Fernbrook Bio Limited in respect of tax losses surrendered by way of consortium relief.

During the year ended 31 March 2021, the company received recharges from Regen Devco Limited, a wholly owned subsidiary undertaking of Regen Holdings Limited, of £nil (2020: £688) and an amount of £nil was outstanding at the balance sheet date (2020: £688).

Bioganix Limited (BGL) is a company in which L M Dodds and C D Tyler, directors of Regen Holdings Limited are directors and shareholders. During the year, the company sold services totalling £547,035 (2020: £510,888) to BGL and made purchases totalling £100,432 (2020: £53,342) from BGL. At the year-end BGL owed the company £37,209 comprising trade debtors of £52,969 less trade creditors of £5,760 (2020: £107,710, comprising trade debtors of £113,580 less trade creditors of £5,870).

Bioganix (Welland) Limited (BWL) is also a company in which L M Dodds, and C D Tyler are directors and is a wholly owned subsidiary undertaking of BGL. During the year, the company sold services totalling £4,088 (2020: £81,758) to BWL and made purchases totalling £1,413 (2020: £45,387) from BWL. At the year-end, the company owed BWL £nil (2020: £380 owed to BWL, comprising trade creditors of £17,689 less trade debtors of £17,309).

During the year, the company rented land from J M Dodds Limited, a company in which L M Dodds is a director and shareholder for a consideration of £3,000 (2020: £3,000). An amount of £3,000 was outstanding at the year-end (2020: £nil).

The remainder of the transactions with businesses connected with directors of the company are not considered material to either party. No other transactions with related parties were undertaken such as are required to be disclosed.

18. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

	2021		2020	
	No	**£**	No	£
Ordinary shares of £1 each	**100**	**100**	100	100

19. DIVIDENDS

The company did not declare a dividend in respect of the year ended 31 March 2021.

20. SUBSEQUENT EVENTS

There are no subsequent events to report.

21. ULTIMATE PARENT COMPANY

The immediate parent undertaking during the year was Whites Engineering Limited which is incorporated in England and shares the same registered office as the company. This is the smallest group into which these financial statements are consolidated. The consolidated financial statements are publicly available from the Registrar of Companies.

Whites Engineering Limited is a wholly owned subsidiary undertaking of Regen Holdings Limited. The immediate and ultimate parent undertaking of Regen Holdings Limited is TPG ART-AIV, LP, an alternative and renewable technologies fund company that is registered in the Cayman Islands. Regen Holdings Limited is the largest group into which these financial statements are consolidated as it is treated as part of an investment portfolio within the fund and is therefore held at fair value.

The company's ultimate controlling party is TPG Circadian Capital Partners AIV GenPar Advisors, Inc., a company registered in the Cayman Islands that manages TPG ART-AIV, LP and affiliated partnerships.