

COMPANY REGISTRATION NUMBER 03765361

WHITES RECYCLING LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



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
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Bankers

Barclays Bank Plc
49 Broad Street
Stamford
Lincolnshire
PE9 1PZ

WHITES RECYCLING LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023. 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 (Whites) 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 increased by 15.11% to £18,372,605 (2022: £15,960,789). The gross profit margin has decreased to 5.8% (2022: 6.4%) and the directors report a gross profit of £1,062,254 (2022: £1,018,274). The company's loss before taxation was £1,616,340 (2022: loss before taxation was £2,025,509).

The invasion of Ukraine by Russia in February 2022 resulted in an acceleration of the inflation experienced post-Covid. This had a significant and sustained impact on fuel prices, beyond any reasonable level of commercial fluctuation. Consequently, after discussions with customers, Whites introduced a "fuel escalator" so that the additional cost above a certain level was passed on to customers in a transparent manner.

During the year, and as a direct consequence of the introduction of Farming Rules for Water ("FRfW") in 2018, Whites has continued to reduce the volumes of material recycled to agricultural land, and to increase the volumes taken to treatment. This has resulted in higher costs being passed to our customers, as wastes have to travel further, and the end treatment point is typically more expensive. Whites and their customers continue to support FRfW but wish that it was more broadly and consistently interpreted and enforced by the Environment Agency. Compliance with FRfW is seen by some who spread organic materials to land as optional.

The financial position at 31 March 2023 is detailed on page 11.

KEY PERFORMANCE INDICATORS

The key performance indicators ("KPIs") used by management are turnover and operating profit or loss. Given the straightforward nature of the business the directors are of the opinion that analysis using other 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:

WHITES RECYCLING LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2023

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.

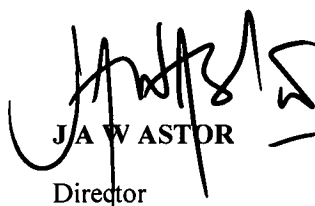
Interest rate risk

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.

Signed on behalf of the directors


J A W ASTOR
Director

Approved by the directors on 29 November 2023

WHITES RECYCLING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2023

The directors present their report and the audited financial statements of the company for the year from 1 April 2022 to 31 March 2023.

RESULTS AND DIVIDENDS

The loss for the financial year, amounted to £1,673,272 (2022: loss of £2,028,390). The company did not pay or declare a dividend in respect of the year ended 31 March 2023.

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.

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.

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).

WHITES RECYCLING LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2023

DIRECTORS' RESPONSIBILITIES STATEMENT *(continued)*

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.

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:

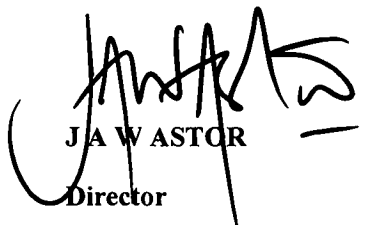
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all of the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that the company's auditors 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 29 November 2023

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 2023 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, including 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Profit and Loss Account and 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.

WHITES RECYCLING LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WHITES RECYCLING LIMITED *(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 2023 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.

WHITES RECYCLING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WHITES RECYCLING LIMITED *(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 regulations, health and safety legislation and employment 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 and UK taxation legislation. 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 journals to the income statement, including to revenue or manipulating accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- making 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 the 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.

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.

WHITES RECYCLING LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WHITES RECYCLING LIMITED *(continued)*

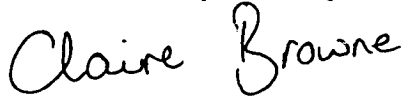
Other required reporting

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.



Claire Browne (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

East Midlands

29 November 2023

WHITES RECYCLING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
TURNOVER	4	18,372,605	15,960,789
Cost of sales		<u>(17,310,351)</u>	<u>(14,942,515)</u>
GROSS PROFIT		1,062,254	1,018,274
Administrative expenses		(2,609,956)	(2,938,236)
Administrative expenses - exceptional	5	<u>-</u>	<u>(82,193)</u>
OPERATING LOSS	5	(1,547,702)	(2,002,155)
Interest payable and similar expenses	8	(68,638)	(23,354)
LOSS BEFORE TAXATION		<u>(1,616,340)</u>	<u>(2,025,509)</u>
Tax on loss	9	(56,932)	(2,881)
LOSS FOR THE FINANCIAL YEAR		<u>(1,673,272)</u>	<u>(2,028,390)</u>

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

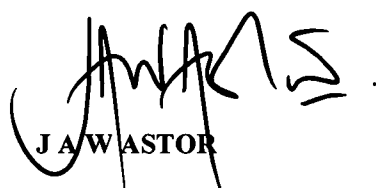
WHITES RECYCLING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Note	£	2023 £	2022 £
FIXED ASSETS				
Tangible assets	10		785,956	651,730
CURRENT ASSETS				
Inventories	11	82,915		76,281
Debtors	12	3,177,258		3,353,090
Cash at bank and in hand		116		136
		<u>3,260,289</u>		<u>3,429,507</u>
CREDITORS: Amounts falling due within one year	13	<u>(6,221,990)</u>		<u>(4,811,974)</u>
NET CURRENT LIABILITIES			<u>(2,961,701)</u>	<u>(1,382,467)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,175,745)</u>	<u>(730,737)</u>
CREDITORS: Amounts falling due after more than one year	14		(171,332)	-
PROVISIONS FOR LIABILITIES				
Deferred taxation	15		<u>(133,096)</u>	<u>(76,164)</u>
NET (LIABILITIES)			<u>(2,480,173)</u>	<u>(806,901)</u>
CAPITAL AND RESERVES				
Called up share capital	19		100	100
Profit and loss account			<u>(2,480,273)</u>	<u>(807,001)</u>
TOTAL EQUITY			<u>(2,480,173)</u>	<u>(806,901)</u>

These financial statements on pages 10 to 25 were approved by the directors and authorised for issue on 29 November 2023, 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 2023

	Called up Share capital £	Profit and loss account £	Total equity £
Balance as at 1 April 2021	100	1,221,389	1,221,489
Loss for the financial year and total comprehensive expense	<u>—</u>	<u>(2,028,390)</u>	<u>(2,028,390)</u>
Balance as at 31 March 2022 / 1 April 2022	100	(807,001)	(806,901)
Loss for the financial year and total comprehensive expense	<u>—</u>	<u>(1,673,272)</u>	<u>(1,673,272)</u>
Balance as at 31 March 2023	<u><u>100</u></u>	<u><u>(2,480,273)</u></u>	<u><u>(2,480,173)</u></u>

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note below.

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.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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	-	5 to 20 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.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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

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

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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.

Exceptional costs

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are items that are material either because of their size or their nature, and are considered non-recurring. These items are presented within the line items to which they best relate and reported separately as exceptional items.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

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

Critical accounts judgements and estimation uncertainty

The company makes estimates and assumptions in respect of assets and liabilities based on historical experience and other relevant factors. The resulting accounting estimates will, by definition, not always equal the related actual results. The estimates and assumptions that have the most significant effect on the carrying amounts of assets and liabilities are:

Impairment of tangible assets

Annually, the directors consider whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of recoverable amount requires estimation of the recoverable value of the cash generating unit (CGU). This requires estimation of the future cash flows from the CGU and the selection of an appropriate discount rate in order to calculate the net present value of those cash flows. See note 10 for disclosures of the assumptions used and the sensitivity analysis.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2023	2022
	£	£
United Kingdom	<u>18,372,605</u>	<u>15,960,789</u>

5. OPERATING LOSS AND EXCEPTIONAL COSTS

Operating loss

Operating loss is stated after charging:

	2023	2022
	£	£
Depreciation of owned fixed assets	156,020	181,982
Depreciation of assets held under hire purchase and finance lease agreements	6,400	-
Operating lease rentals	1,936,076	2,332,298
Inventory recognised as an expense	4,704,024	2,897,363
Exceptional costs (see below)	-	82,193
Auditors' remuneration		
- for audit services	27,652	24,045
- for other services	-	-
	<u> </u>	<u> </u>

Exceptional costs

During the year, restructuring costs of £nil (2022: £82,193) were incurred. The restructuring was required to divert more liquid wastes from land to treatment. The resulting reduction in material spread to land meant that a number of long serving and experienced staff were made redundant, and equipment sold.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

6. PARTICULARS OF EMPLOYEES

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

	2023	2022
	No	No
Number of drivers and operational staff	93	101
Number of sales and administrative staff	10	9
Number of management staff	1	2
	<u>104</u>	<u>112</u>

The aggregate payroll costs of the above were:

	2023	2022
	£	£
Wages and salaries	4,451,632	4,477,014
Social security costs	496,252	469,548
Other pension costs	91,205	85,828
	<u>5,039,089</u>	<u>5,032,390</u>

7. DIRECTORS' REMUNERATION

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

	2023	2022
	£	£
Aggregate remuneration (including benefits in kind)	248,432	257,805
Company pension contributions to defined contribution schemes	4,468	4,273
	<u>252,900</u>	<u>262,078</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022: 1).

Aggregate emoluments include total emoluments of £197,166 (2022: £191,783) for the highest paid director excluding pension contributions of £4,468 (2022: £4,273).

Directors' emoluments include £252,900 (2022: £262,078) that are borne by Regen Holdings Limited and recharged to the company by way of a management charge.

The directors form the key management of the company.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Interest payable on bank borrowings	<u>68,638</u>	<u>23,354</u>

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

9. TAX ON LOSS

(a) Analysis of charge in the year

	2023	2022
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2022: 19%)	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	56,932	2,881
Total deferred tax	56,932	2,881
Tax charge on loss	56,932	2,881

(b) Factors affecting total tax charge

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

	2023	2022
	£	£
Loss before taxation	(1,616,340)	(2,025,509)
Loss before taxation multiplied by the standard rate of tax	(307,105)	(384,847)
Expenses not deductible for tax purposes	30,388	245
Other differences	18,632	34,980
Losses available for carry forward not recognised	315,017	352,503
Total tax charge	56,932	2,881

(c) Factors affecting the tax rate in future years

In the Budget 2020, the government announced that the corporation tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

10. TANGIBLE ASSETS

	Properties & Lagoons £	Plant & Machinery £	Fixtures & Fittings £	Total £
COST				
At 1 April 2022	1,287,237	119,487	151,572	1,558,296
Additions	5,754	288,000	2,892	296,646
Disposals	-	-	-	-
At 31 March 2023	<u>1,292,991</u>	<u>407,487</u>	<u>154,464</u>	<u>1,854,942</u>
ACCUMULATED DEPRECIATION				
At 1 April 2022	685,045	87,815	133,706	906,566
Charge for the year	137,350	11,597	13,473	162,420
Disposals	-	-	-	-
At 31 March 2023	<u>822,395</u>	<u>99,412</u>	<u>147,179</u>	<u>1,068,986</u>
NET BOOK AMOUNT				
At 31 March 2023	<u>470,596</u>	<u>308,075</u>	<u>7,285</u>	<u>785,956</u>
At 31 March 2022	602,192	31,672	17,866	651,730

Impairment review: The weighted average cost of capital used to discount the future cash flows is equal to a post-tax rate of 8.19%. This rate represents the financial structure of the group and the cost of the financial means used, including both debt and equity. The value in use was obtained by discounting the five year forecasted cash flows plus a terminal value of the cash generating unit, assuming 0.1% revenue growth for FY2023/24, 17% revenue growth for FY2024/25, 15% revenue growth for FY2025/26, and 5% revenue growth for the following two years. Based on this, the headroom is significant, and no impairment has been noted. Based on the level of headroom, the directors consider that no reasonably possible change in assumptions would give rise to an impairment in the company financial statements.

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

Hire purchase and finance lease agreements

Included within the net book value is £281,600 (2022: £nil) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,400 (2022: £nil).

11. INVENTORIES

	2023 £	2022 £
Fuel and consumables	<u>82,915</u>	<u>76,281</u>

There is no significant difference between the replacement cost of fuel and consumables and their carrying amounts. Inventories are stated after provisions of £nil (2022: £nil).

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

12. DEBTORS

	2023	2022
	£	£
Amounts due within one year:		
Trade debtors	2,217,913	2,488,622
Amounts owed by group undertakings	44,535	49,057
Prepayments and accrued income	914,810	815,411
	<u>3,177,258</u>	<u>3,353,090</u>

Trade debtors are stated after provisions for impairment of £60,788 (2022: £nil).

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

13. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	867,926	1,139,409
Trade creditors	1,770,727	1,589,490
Amounts owed to group undertakings	2,591,715	1,100,643
Taxation and social security	413,756	406,094
Other creditors	40,559	12,614
Hire purchase and finance lease obligations	80,668	-
Accruals and deferred income	456,639	563,724
	<u>6,221,990</u>	<u>4,811,974</u>

The bank loans and 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.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2023	2022
	£	£
Bank overdrafts	867,926	1,139,409
Hire purchase and finance lease obligations	80,668	-
	<u>948,594</u>	<u>1,139,409</u>

The hire purchase and finance lease obligations are secured on the assets concerned.

The bank loans and 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.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

14. CREDITORS: Amounts falling due after more than one year

	2023	2022
	£	£
Hire purchase and finance lease obligations	171,332	-
	<u>171,332</u>	<u>-</u>

The hire purchase and finance lease obligations are secured on the assets concerned.

15. DEFERRED TAXATION

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

	2023	2022
	£	£
Provision at 1 April 2022 and 1 April 2021	76,164	73,283
Charged to the profit and loss account	56,932	2,881
Provision at 31 March 2023 and 31 March 2022	<u>133,096</u>	<u>76,164</u>

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

	2023	2022
	£	£
Excess of taxation allowances over depreciation on fixed assets	133,096	122,414
Other timing differences	-	(46,250)
	<u>133,096</u>	<u>76,164</u>

16. COMMITMENTS UNDER OPERATING LEASES

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

	2023	2022
	£	£
Not later than 1 year	258,910	372,029
Later than 1 and before 5 years	390,716	580,384
Later than 5 years	155,750	218,750
	<u>805,376</u>	<u>1,171,163</u>

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

17. 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.

18. 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 £207,233 (2022: £152,882) to Axil Integrated Services Limited (Axil), a company in which Regen Holdings Limited indirectly has a 75% financial interest. An amount of £44,304 (2022: £43,578) was outstanding at the year-end. During the year, the company also made purchases totalling £4,229 (2022: £4,762) from Axil. At the year end, the company owed Axil £924 (2022: £nil).

At 31 March 2023, the company owed an amount of £1,299 (2022: £1,299) to Whites Generation Limited in respect of tax losses surrendered by way of consortium relief.

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 £1,067,031 (2022: £421,770) to BGL and made purchases totalling £810,379 (2022: £247,581) from BGL. At the year-end BGL owed the company £160,370 comprising trade debtors of £207,810 less trade creditors of £47,440 (2022: £119,305, comprising trade debtors of £138,027 less trade creditors of £18,722).

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 £nil (2022: £nil) to BWL and made purchases totalling £nil (2022: £nil) from BWL. At the year-end, the company owed BWL £nil (2022: £nil owed to BWL).

In prior years the company rented land from J M Dodds Limited, a company in which L M Dodds is a director and shareholder, however this was not the case in the current year (2022: the company rented land for a consideration of £3,000). Therefore, no amount was outstanding at the year-end (2022: £3,000).

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.

WHITES RECYCLING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

19. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

		2023		2022
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20. DIVIDENDS

The company did not declare a dividend in respect of the year ended 31 March 2023 (2022: nil).

21. SUBSEQUENT EVENTS

There are no subsequent events to report.

22. 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.