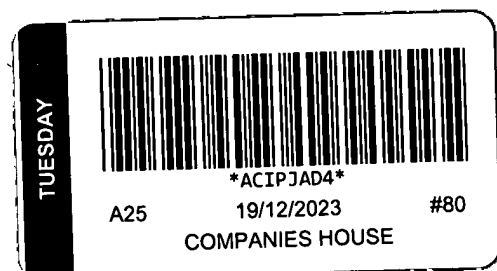


New Earth Solutions (West) Limited

Annual report and financial statements

For the year ended 30 December 2022

Company registration number: 06968057



New Earth Solutions (West) Limited

**Annual report and financial statements
for the year ended 30 December 2022**

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Directors

B McCabe

C Bloom

M Mountain

Registered office

The MRF, Station Road, Caythorpe, Grantham, Lincolnshire, NG32 3EW, England

Company registration number

06968057

Independent auditor

PricewaterhouseCoopers, Chartered Accountants and Statutory Audit Firm, One Spencer Dock, North Wall Quay, Dublin 1, Republic of Ireland

Banker

NatWest Bank, 208 Lower Blandford Road, Broadstone, Dorset, BH18 8DT, England

Solicitor

Pinsent Masons LLP, 3 Hardman Street, Manchester, M3 3AU, England

New Earth Solutions (West) Limited

Strategic report for the year ended 30 December 2022

The directors present their strategic report for the year ended 30 December 2022.

Principal Activities and Review of Business

The company contracts with local authorities and commercial customers to provide composting, recycling and waste treatment services. The contracted revenue streams from local authorities underpin the mechanical and biological waste treatment facilities to separate materials for recycling, divert waste away from landfill disposal and generate a refuse derived fuel for energy from waste and combined heat and power plants. UK Government policy supports the sector that the company is active in, waste management. The UK faces tough targets for waste recycling and landfill diversion and has escalating levels of landfill taxation, which support the approach to waste management.

The profit and loss account and other comprehensive income is set out on page 12 and shows Turnover for the year of £55,522,845 (2021: £45,639,183) and an operating profit after other income and exceptional items for the year of £1,393,949 (2021: £3,451,831).

As at 30 December 2022, the company had net current liabilities of £31,506,462 (2021: £39,295,941); however the company will be supported by its fellow group undertaking, Pandagreen Limited. The financial statements have been prepared on a going concern basis, which assumes that the company will have sufficient funds to trade for the foreseeable future.

Principal Risks and Uncertainties

Facility Processing Capacity Utilisation

During the year, the company's sites had some excess capacity. The company's operations are competitive against alternative disposal routes, especially landfill (including the escalating costs of Landfill Tax), and the company has a good track record of securing business, demonstrating the ability to secure both long term and top-up contracts as necessary. The directors therefore do not consider this to be high risk.

Refuse Derived Fuel

One of the company's products from the mechanical process is Refuse Derived Fuel ("RDF") for which the company has contracts with parties all over the UK and Europe to dispose of the RDF. The current market indicates that the prices for offtake of RDF are increasing as capacity to process it is staying stable. Finding new offtakes is important for the company and we continue to secure offtake contracts to satisfy our disposal requirements.

Inflation

The directors have mitigated any significant risk of exposure to cost inflation by ensuring that revenues are subject to annual price increases based upon the movement in cost inflation indices.

Impact of Russia/Ukraine war

While the Russian/Ukraine war did not have an impact on the company in the financial year, the company continues to monitor the potential impact the war may have on the company's financial position, results of operations or cash flows in the future.

New Earth Solutions (West) Limited

Strategic report for the year ended 30 December 2022 *(continued)*

Principal Risks and Uncertainties *(continued)*

Financial Instruments

The company's financial instruments comprise cash and liquid resources, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise and control the finance for the waste treatment facility.

The group also enters into derivatives transactions (exclusively forward foreign currency contracts). The purpose of such transactions is to manage the currency risks arising from the group's operations and its sources of finance. Derivative transactions are accounted for within other group companies.

It is, and has been throughout the year under review, the group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the financial instruments are liquidity risk, credit risk, foreign currency risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity Risk

The company monitors short term cash flows as part of its weekly control procedures. The directors also consider cash flow projections on a quarterly basis as part of a regular reforecast of business performance. The company's fellow group undertaking, Pandagreen, supports the company in providing funding as required.

Credit Risk

The company's credit risk is primarily attributable to its trade debtors. The majority of the company's revenue is derived from contracts with local authorities and the directors believe that such customers do not present a significant credit risk. Risks against other customers are managed by credit checks on new customers and by monitoring payments against contractual agreements and the group's standard terms and conditions.

Foreign Currency Risk

The export of RDF by each of the Mechanical & Biological Treatment ("MBT") waste treatment facilities to Europe is often priced in Euros and as a consequence the cost of treatment reflects currency movements between Sterling and Euros.

Interest Rate Risk

The directors have mitigated interest rate by ensuring that all of the company's borrowings are at fixed interest rates.

Key Performance Indicators

The directors consider turnover, gross profit, EBITDA and operating profit to be key performance indicators for the company.

Turnover was up from £45,639,183 in the year ended 30 December 2021 to £55,522,845 in the year ended 30 December 2022. A gross profit of £8,894,618 was made in the year ended 30 December 2021, compared to a gross profit of £9,035,207 in the year ended 30 December 2022. The company recorded an operating profit after other income and exceptional items of £3,451,831 for the year ended 30 December 2021 compared to an operating profit of £1,393,949 (including profit on disposal of the Avonmouth site of £4,486,061) in the year ended 30 December 2022. The decline in operating profit in 2022 is due to a number of headwinds encountered by the business during the year including wage, energy and fuel inflation and a decline in recycling commodity prices. The company also made significant investment in Health and Safety in the year. Management have implemented price increases and other measures to improve financial performance in 2023.

New Earth Solutions (West) Limited

Strategic report for the year ended 30 December 2022 *(continued)*

Future Developments

The company plans to continue its present activities.

Section 172 statement

This statement, which forms part of the Strategic Report, is intended to show how the company's Directors have approached and met their responsibilities under S172 Companies Act 2006 during the year. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by S172 of the UK Companies Act 2006, a Director of a company must act in a way he/she considers, in good faith, would most likely promote the success of the company for the benefit of its Shareholders. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

We understand that our business can only grow and succeed over the long term if we recognise the views and needs of our stakeholders. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making.

Stakeholder engagement

The company is committed to high standards of business conduct and integrity. The key stakeholders have been identified as suppliers, employees and shareholders.

i. Suppliers

Key areas of focus include innovation, health and safety and sustainability. The Directors recognise that relationships with suppliers are important to the company's long-term success and are briefed on supplier feedback and issues. Engagement with suppliers is primarily through a series of interactions and reviews and we host regular meetings to discuss shared goals and build relationships.

ii. Employees

Our people are key to our success and we want them to be successful individually and as a team. We give full and fair consideration to applications for employment that disabled people make to the company, the policy for employment, training, career development and promotion of disabled people, and for the continuing employment and training of employees who have become disabled while employed by the company.

There are many ways we engage with and listen to our people including face-to-face or Zoom briefings, internal communities and newsletters. Employee views are considered following these meetings while making decisions which are likely to affect their interests.

Key areas of focus include health and well-being, development opportunities, pay and benefits. Regular reports about what is important to our colleagues are made to the Directors ensuring consideration is given to their needs.

iii. Shareholders

Reports are regularly made to the Group Board by the Directors about the strategy, performance and key decisions taken which provides the Board with assurance that proper consideration is given to stakeholder interests in decision-making.

At Group level, the Board is well informed about the views of shareholders through the regular reporting and it uses this information to assess the impact of decisions on each units of the business as part of its own decision-making process.

New Earth Solutions (West) Limited

Strategic report
for the year ended 30 December 2022 *(continued)*

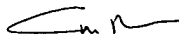
Post Balance Sheet Events

There were no significant events since the balance sheet date.

On behalf of the board



B McCabe
Director



C Bloom
Director

15 December 2023

New Earth Solutions (West) Limited

Directors' report for the year ended 30 December 2022

The directors present their directors' report and the audited financial statements for the year ended 30 December 2022.

Dividend

Dividends of £4,900,000 were declared and settled during the year (2021: £Nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows. Unless indicated otherwise, they served in office for the entire year.

B McCabe
C Bloom (appointed 21 December 2022)
M Mountain (appointed 21 December 2022)

Political Contributions

The company made no political contributions or incurred any political expenditure during the year (2021: £Nil).

Going Concern

The directors have considered the going concern basis of preparation. The company had a loss for the financial year of £400,948 (2021: £2,483,252) and at 30 December 2022 had net current liabilities of £31,506,462 (2021: £39,295,941) and net liabilities of £870,481 (2021: net assets of £4,430,467). Having considered the company's budgets and cashflows, and the confirmation from the company's fellow group undertaking, Pandagreen Limited, that it will continue to provide financial support for a period not less than 12 months from the approval of these financial statements, sufficient to enable the company to continue to trade and meet its liabilities as and when they fall due, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Information in the Strategic Report

The following directors' report requirements have been upgraded to the strategic report; financial risk management, objectives and policies, information on exposure to price risk, credit risk, liquidity risk and cash flow risk, post balance sheet events and likely future developments in the business of the company.

Energy and Emissions Report

Details of the company's energy consumption and emissions for the period January 2022 to December 2022 were as follows:

	2022	2021
Energy consumption used to calculate emissions: kWh ('000)	11,680	10,998
Emissions from combustion of gas: tCO ₂ e	-	-
Emissions from business travel in company vehicles: tCO ₂ e	8,801	7,989
Emissions from purchased electricity: tCO ₂ e ('000)	2,259	3,867
Total gross CO ₂ e: tCO ₂ e ('000)	11,060	11,856
Intensity ratio (tCO ₂ e per £100,000 turnover)	0.20	0.26
Energy efficient actions taken	None taken	None taken

New Earth Solutions (West) Limited

Directors' report for the year ended 30 December 2022 *(continued)*

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

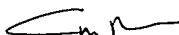
Independent auditors

The auditors PricewaterhouseCoopers were appointed auditor on 2nd February 2023 and in accordance with Section 487 of the Companies Act 2006, will continue in office.

By order of the board



B McCabe
Director



C Bloom
Director

15 December 2023

Registered address: The MRF, Station Road, Caythorpe, Grantham, Lincolnshire, NG32 3EW, England

New Earth Solutions (West) Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 *Reduced Disclosure Framework*, and applicable law).

Under Company law, 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 year. 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 101 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.

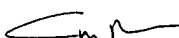
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the board



B McCabe
Director



C Bloom
Director

15 December 2023



Independent auditors' report to the members of New Earth Solutions (West) Limited

Report on the audit of the financial statements

Opinion

In our opinion, New Earth Solutions (West) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2022 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 101 "Reduced Disclosure Framework", 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, which comprise:

- the balance sheet as at 30 December 2022;
 - the profit and loss account and other comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - 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.

Reporting on other information

The other information comprises all of the information in the Annual Report and financial statements 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 30 December 2022 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 Statement of Directors' Responsibilities, 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.

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 relevant 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 the posting of fraudulent journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries with management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance and performing fraud enquiries;
- Implementing specific procedures to address the risk of management override of controls including testing journal entries and other adjustments for appropriateness, accounting estimates, significant unusual transactions, suspense accounts and intercompany accounts;
- Assessing management bias in individual accounting estimates; and
- Maintaining professional scepticism throughout the audit and incorporating unpredictability into our audit process.

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.



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.

A handwritten signature in black ink, appearing to read 'John Dunne'.

John Dunne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin, Ireland
18 December 2023

New Earth Solutions (West) Limited

Profit and loss account and other comprehensive income for the year ended 30 December 2022

	Note	2022 £	2021 £
Turnover	4	55,522,845	45,639,183
Cost of sales		(46,487,638)	(36,654,565)
		<u> </u>	<u> </u>
Gross profit		9,035,207	8,984,618
Administrative expenses		(12,274,981)	(7,166,017)
		<u> </u>	<u> </u>
Operating (loss)/profit before other income and exceptional items		(3,239,774)	1,818,601
Other income	7	147,662	159,731
Exceptional items	8	4,486,061	1,473,499
		<u> </u>	<u> </u>
Operating profit before interest and taxation		1,393,949	3,451,831
Interest payable and similar charges	9	(754,921)	(255,990)
		<u> </u>	<u> </u>
Profit before taxation		639,028	3,195,841
Tax on profit	10	(1,039,976)	(712,589)
		<u> </u>	<u> </u>
(Loss)/profit for the financial year		(400,948)	2,483,252
Other comprehensive income		-	-
		<u> </u>	<u> </u>
Total comprehensive (expense)/income for the year		(400,948)	2,483,252
		<u> </u>	<u> </u>

New Earth Solutions (West) Limited

Balance sheet as at 30 December 2022

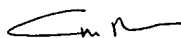
	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	11	5,108,820	6,124,619
Tangible fixed assets	12	43,982,346	43,697,912
		<u>49,091,166</u>	<u>49,822,531</u>
Current assets			
Stock	15	950,989	55,299
Debtors	16	19,037,855	9,200,141
Cash and cash equivalents	17	1,943,420	833,784
		<u>21,932,264</u>	<u>10,089,224</u>
Creditors: amounts falling due within one year	18	(53,438,726)	(49,385,165)
Net current liabilities		<u>(31,506,462)</u>	<u>(39,295,941)</u>
Total assets less current liabilities		<u>17,584,704</u>	<u>10,526,590</u>
Creditors: amounts falling due after more than one year	19	(17,014,424)	(5,446,809)
Deferred tax liability	14	(1,440,761)	(649,314)
Net (liabilities)/assets		<u>(870,481)</u>	<u>4,430,467</u>
Capital and reserves			
Called up share capital	22	1	1
Capital contribution reserve	23	342,919	342,919
Profit and loss account		(1,213,401)	4,087,547
Shareholder's funds		<u>(870,481)</u>	<u>4,430,467</u>

The notes on pages 15 to 29 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 15 December 2023 and were signed on its behalf by:



B McCabe
Director



C Bloom
Director

Company registration number: 06968057

New Earth Solutions (West) Limited

Statement of changes in equity for the year ended 30 December 2022

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 30 December 2020	1	-	1,604,295	1,604,296
Total comprehensive income for the year				
Profit for the year	-	-	2,483,252	2,483,252
Capital contribution	-	342,919	-	342,919
Total comprehensive income for the year	<u>-</u>	<u>342,919</u>	<u>2,483,252</u>	<u>2,826,171</u>
At 30 December 2021	1	342,919	4,087,547	4,430,467
Total comprehensive income for the year				
Profit for the year	-	-	(400,948)	(400,948)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(400,948)</u>	<u>(400,948)</u>
Dividends	-	-	(4,900,000)	(4,900,000)
At 30 December 2022	<u>1</u>	<u>342,919</u>	<u>(1,213,401)</u>	<u>(870,481)</u>

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022

1 Reporting entity

New Earth Solutions (West) Limited (the "company") is a private company limited by shares and incorporated, domiciled and registered in the UK. The company's registered office is The MRF, Station Road, Caythorpe, Grantham, Lincolnshire, NG32 3EW, England and the registered number is 06968057.

2 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.

Basis of preparation

The financial statements of New Earth Solutions (West) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with requirements of the Companies Act 2006 ("UK-adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's intermediate parent undertaking, Beauparc Utilities Holdings Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Beauparc Utilities Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and are available to the public and may be obtained from Panda Waste Management Solutions, Ballymount Road Upper, Dublin 24, Republic of Ireland.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 7, 'Statement of cash flows';
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group;
- IFRS 7, 'Financial instruments: Disclosures'; and
- the effects of new but not yet effective IFRS's.

These financial statements have been prepared in sterling, which is the functional currency of the company.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. 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 note xx.

(a) Basis of measurement

The financial statements are prepared on the historical cost basis.

(b) Going concern

The directors have considered the going concern basis of preparation. The company had a loss for the financial year of £400,948 (2021: profit of £2,483,252) and at 30 December 2022 had net current liabilities of £31,506,462 (2021: £39,295,941) and net liabilities of £870,481 (2021: net assets of £4,430,467). Having considered the company's budgets and cashflows, and the confirmation from the company's fellow group undertaking, Pandagreen Limited, that it will continue to provide financial support for a period not less than 12 months from the date of approval of these financial statements, sufficient to enable the company to continue to trade and meet its liabilities as and when they fall due, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

2 Accounting policies (continued)

(c) Tangible fixed assets

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see accounting policy g). Cost includes those costs, including employee and other costs that are directly attributable to bringing assets into working condition for their intended use. The cost of self-constructed assets and acquired assets includes, where relevant, (i) the initial estimate at the time of installation of the assets of dismantling and removing the items and of restoring the site on which they are located and (ii) changes in the measurement of existing liabilities recognised for those costs during the period of use resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Costs in relation to assets in development and construction are capitalised, where, in the opinion of the directors, the related project will be successfully developed and the economic benefits arising from future operations will at least equal the amount of capitalised expenditure incurred to date. Costs capitalised to assets in development relate to costs incurred in bringing a project to the consent stage. Costs associated with reaching the consent stage include planning application costs and environmental impact studies. Depreciation commences when the asset is substantially complete and ready for its intended use. Full provision is made for any impairment in the value of the asset.

Financing costs which are directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

(ii) Subsequent expenditure

The company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the replaced item can be measured reliably for its derecognition. All other costs are recognised in the profit and loss account as an expense as incurred.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

2 Accounting policies (continued)

(c) Tangible fixed assets (continued)

(iii) Depreciation

Depreciation is provided on all tangible assets, at rates calculated to write off the cost, less estimated residual value.

Costs in relation to assets in development and construction are deferred, where, in the opinion of the directors, the related project will be successfully developed and the economic benefits arising from the future operations will at least equal the amount of deferred expenditure incurred to date. Full provision is made for any impairment in the value of the asset.

Land is not depreciated. All other assets are depreciated on a straight-line basis over their expected useful lives at the following annual rates:

Plant and equipment	3 to 15 years
Motor Vehicles	4 years
In vessel composting facilities	Straight line basis over the term of the contract (or 20 years if shorter) from the date the plant becomes fully operational

The residual value, if significant and remaining useful lives are reassessed annually.

(d) Financial assets

Financial assets other than derivatives are divided into the following categories:

- loans and debtors
- cash and cash equivalents

Under IFRS 9, the company uses an allowance matrix to measure Expected Credit Loss (ECL) of trade debtors from customers. Loss rates are calculated using a roll rate method based on the probability of a debtor progressing through successive chains of non-payment to write-off. The rates are calculated at a business unit level which reflects the risks associated with geographic region, age mix of customer relationship and type of product purchased.

Trade and other debtors are initially recorded at fair value and, at subsequent reporting dates, at amortised cost. For trade debtors, the company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance.

(e) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss account or other financial liabilities. Financial liabilities at fair value through profit or loss account are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss account. The net gain or loss recognised in profit or loss account incorporates any interest paid on the financial liability.

Other financial liabilities (including trade creditors) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. When determining the fair value of financial liabilities, the expected future cash flows are discounted using an appropriate interest rate.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or expired.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 *(continued)*

2 Accounting policies *(continued)*

(f) Cash and cash equivalents

Cash and cash equivalents principally comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

(g) Impairment

The carrying amounts of the company's assets, other than deferred tax assets (see accounting policy j), are reviewed at each reporting date to determine whether there is any indication of impairment. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In assessing an asset for impairment, the recoverable amount of the asset or its cash generating unit is estimated. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

(i) *Calculation of recoverable amount*

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(h) Provisions

Provisions by their nature are liabilities with an uncertain timing or amount. Estimates are made in relation to the future cash outflows likely to arise in connection with obligations existing at the reporting date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(i) Leases

A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The company assessment includes whether:

- the contract involves the use of an identified asset;
- the company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
- the company has the right to direct the use of the asset.

The company as a lessee

At the commencement of a lease, the company recognises a right-of-use asset along with a corresponding lease liability. The lease liability is initially measured at the present value of the remaining lease payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used.

The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the company is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is re-measured when the company changes its assessment of whether it will exercise an extension or termination option.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 *(continued)*

2 Accounting policies *(continued)*

(i) Leases *(continued)*

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain re-measurements of the lease liability. Depreciation is calculated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The company has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the profit and loss account on a straight-line basis over the term of the relevant lease. Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately within creditors disclosure note depending on the length of the lease term.

(j) Income tax

Income tax in the profit and loss account represents the sum of current income tax and deferred tax not recognised in other comprehensive income or directly in equity.

Current tax

Current income tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates and laws that have been enacted, or substantively enacted, at the reporting date and taking into account any adjustments arising from prior periods.

Liabilities for uncertain tax positions are recognised based on the directors' best probability weighted estimate of the probable outflow of economic resources that will be required to settle the liability.

Deferred tax

Deferred tax is recognised on all temporary differences at the reporting date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences (i.e. differences that will result in taxable amounts in future periods when the carrying amount of the asset or liability is recovered or settled).

Deferred tax assets are recognised in respect of all deductible temporary differences (i.e. differences that give rise to amounts which are deductible in determining taxable profits in future periods when the carrying amount of the asset or liability is recovered or settled), carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items.

The carrying amounts of deferred tax assets are subject to review at each reporting date and reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the profit and loss account, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

2 Accounting policies (continued)

(k) Finance expense

Finance expense comprises interest payable on borrowings calculated using the effective interest rate method and the interest element of the finance lease is charged to the profit and loss account over the period of the lease.

(l) Foreign currency

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets that are carried at historical cost are not subsequently re-translated. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the company's functional currency at the foreign exchange rate ruling at that date. The functional currency of the company is the Sterling. Foreign exchange differences arising on translations are recognised in the profit and loss account.

(m) Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the year in which they are declared and approved by those with authority to do so or, in the case of the interim dividend, when it has been approved by the Board of Directors and paid.

(n) Revenue

Revenue is derived from the provision of goods and services falling within the company's ordinary activities after the deduction of trade discounts and value-added tax.

IFRS 15 establishes a five-step model for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 specifies how and when revenue should be recognised as well as requiring enhanced disclosures.

Revenue comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts.

(o) Cost of sales

Cost of sales includes those costs directly attributable to the company's revenue streams including those direct costs associated with the company's composting, recycling and waste treatment services.

(p) Exceptional items

With respect to exceptional items, the company has applied a profit and loss account format which seeks to highlight significant items within company results for the year. Such items may include acquisition costs, restructuring costs and other integration costs. The company exercises judgement in assessing the particular items which, by virtue of their scale and nature, should be disclosed in the profit and loss account and related notes as exceptional items. The company believes that such a presentation provides a more helpful analysis as it highlights material items of a non-recurring nature.

(q) Share based payment arrangements

Cash settled share based payments

The fair value of an amount payable to employees in respect of cash settled share-based payments is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the shares. Any changes in the liability are recognised in the Profit and Loss account.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

2 Accounting policies (continued)

(r) Intangible assets

Intangible assets separately acquired are capitalised at cost. Intangible assets acquired as part of a business combination are capitalised at fair value as at the date of acquisition.

Following initial recognition, intangible assets, which have finite useful lives, are carried at cost or initial fair value less any accumulated amortisation and accumulated impairment losses.

The amortisation of intangible assets is calculated to write off the book value of intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. Where amortisation is charged on these assets, the expense is recognised in the Income Statement.

In addition to any annual amortisation charge, the carrying amount of intangible assets is reviewed for indicators of impairment at each reporting date and is subject to impairment testing when events or changes of circumstances indicate that the carrying values may not be recoverable.

The estimated useful lives are as follows:

Customer lists	5 years
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3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management are required to make estimates, assumptions and judgements that could materially affect the Company's reported results or net asset position.

The areas where key estimates, assumptions and judgements were made by management and are material to the Company's reported results or net asset position, are as follows:

Impairment of goodwill

The Company tests annually whether goodwill has suffered any impairment in accordance with the accounting policy set out in note 2 (g).

Income taxes

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Company estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into consideration applicable tax legislation in the relevant jurisdiction. These calculations also require the use of estimates.

Recoverability of trade receivables

The Company provides credit to customers and as a result there is an associated risk that the customer may not be able to pay outstanding balances. Trade receivables are considered for impairment on a case-by-case basis, when they are past due at the reporting date or when objective evidence is received that a specific counterparty may default.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

4 Turnover

The whole of turnover is attributable to the principal activity of the company. All turnover has arisen within the UK.

5 Operating (loss)/profit	2022 £	2021 £
Operating (loss)/profit is stated after charging:		
Amortisation of intangible fixed assets	1,015,799	697,723
Depreciation of tangible fixed assets	5,912,468	3,488,752
Depreciation of right of use assets	2,437,832	332,029
Profit on disposal of property, plant and equipment	(24,000)	(39,862)
Foreign exchange losses/(gains)	28,786	(399,832)
Inventory recognised as an expense	3,853,769	2,599,405
Fees payable to the company's auditor for the audit of the company's financial statements	40,000	17,000

6 Employee benefits and transactions with directors	2022 £	2021 £
Staff costs comprise:		
Wages and salaries	12,676,700	10,868,164
Social security costs	1,346,275	1,116,425
Pension costs	367,904	335,771
Other compensation costs	-	61,793
	14,390,879	12,382,153

The average number of persons employed by the company during the year, analysed by category, was as follows:

	2022 Number	2021 Number
Operations	361	347
Administration and marketing	24	22
	385	369

Directors' remuneration was borne by a fellow group undertaking in the preceding financial year. Current year amounts paid by the Company are set out below.

Directors' emoluments

	2022 £	2021 £
Directors' remuneration	247,476	-
Company contributions to defined contribution pension schemes	20,000	-
	267,476	-

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

7 Other income

The company received £147,662 relating to a Research and Development Expenditure Credit (RDEC) under the R&D scheme for large companies administered by HMRC in the current financial year. The related expenditure had been expensed to the Income Statement.
In the financial year ending 30 December 2021, the company received funding of £159,731 for furloughed employees under the Government Coronavirus Job Retention Scheme.

8 Exceptional items	2022 £	2021 £
Restructuring and other integration costs (note i)	-	(1,473,499)
Profit from Sale of Site (note ii)	4,486,061	-
	<u>4,486,061</u>	<u>(1,473,499)</u>

- (i) These costs relate to re-organisation and integration of the businesses incurred and settled during the comparative financial year.
(ii) This relates to the sale of the Avonmouth Site which was surplus to requirements following rationalisation of operations on business sites. The proceeds from the sale of the site were £9,000,000 which generated a profit on disposal of £4,486,061.

9 Interest payable and similar charges	2022 £	2021 £
Lease Interest	573,107	198,923
Other finance costs	181,814	57,067
	<u>754,921</u>	<u>255,990</u>

New Earth Solutions (West) Limited

Notes forming part of the financial statements
for the year ended 30 December 2022 (continued)

10 Taxation	2022 £	2021 £
<i>Current tax</i>		
Group relief receivable	(4,696)	(313,361)
Adjustments in respect of prior periods	253,225	-
Total current tax	248,529	(313,361)
<i>Deferred tax</i>		
Origination and reversal of temporary differences	1,151,657	1,144,888
Adjustments in respect of prior periods	(723,892)	-
Effect of tax rate change on opening balance	363,682	(118,938)
Total deferred tax	791,447	1,025,950
Tax on profit	1,039,976	712,589
	2022 £	2021 £
Reconciliation of effective tax charge		
Profit before taxation	639,028	3,195,841
Tax using the UK corporation tax rate of 19% (2021: 19%)	121,415	607,210
Effects of:		
Expenses not deductible for tax purposes	23,304	8,655
Fixed asset differences	(587,283)	320,889
Other tax adjustments, reliefs and transfers	-	(380,000)
R&D expenditure credits	(28,056)	-
Adjustments in respect of prior periods – current tax	253,226	-
Adjustments in respect of prior periods – deferred tax	(723,892)	-
Group relief surrendered	4,696	313,360
Group relief claimed	(4,696)	(313,360)
Remeasurement of deferred tax for changes in tax rates	363,681	155,835
Deferred tax not recognised	1,617,581	-
Tax on profit	1,039,976	712,589

The total tax charge in future periods will be affected by any changes to the UK corporation tax rates. Following the introduction of the Finance Act 2021, the main rate of UK corporation tax will move from 19% to 25% from 1 April 2023. The methodology used to determine the recognition and measurement of uncertain tax positions is set out in note 2 'Statement of accounting policies'.

New Earth Solutions (West) Limited

Notes forming part of the financial statements
for the year ended 30 December 2022 *(continued)*

11 Intangible fixed assets

	Goodwill	Customer Lists	Total
	£	£	£
Cost			
At 31 December 2021	4,214,671	3,554,847	7,769,518
Additions	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 December 2022	4,214,671	3,554,847	7,769,518
	<u> </u>	<u> </u>	<u> </u>
Amortisation			
At 31 December 2021	-	1,644,899	1,644,899
Amortisation charge for the year	-	1,015,799	1,015,799
	<u> </u>	<u> </u>	<u> </u>
At 30 December 2022	-	2,660,698	2,660,698
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 30 December 2022	4,214,671	894,149	5,108,820
	<u> </u>	<u> </u>	<u> </u>
At 30 December 2021	4,214,671	1,909,948	6,124,619
	<u> </u>	<u> </u>	<u> </u>

New Earth Solutions (West) Limited

Notes forming part of the financial statements
for the year ended 30 December 2022 *(continued)*

12 Tangible fixed assets

	Land £	Plant & Equipment £	In vessel composting facilities £	Motor Vehicles £	Right of use asset £	Total £
Cost						
At 31 December 2021	5,922,483	29,160,635	33,465,995	2,595,171	7,978,711	79,122,995
Additions	-	7,551,891	28,696	-	5,301,714	12,882,301
Disposals	(3,642,041)	(2,802,953)	(25,972,410)	-	-	(32,417,404)
At 30 December 2022	2,280,442	33,909,573	7,522,281	2,595,171	13,280,425	59,587,892
Depreciation						
At 31 December 2021	-	4,798,515	26,112,766	1,651,126	2,862,676	35,425,083
Depreciation charge for the year	-	5,074,218	181,219	657,031	2,437,832	8,350,300
Disposals	-	(2,331,166)	(25,838,671)	-	-	(28,169,837)
At 30 December 2022	-	7,541,567	455,314	2,308,157	5,300,508	15,605,546
Net book value						
At 30 December 2022	2,280,422	26,368,006	7,066,967	287,014	7,979,917	43,982,346
At 30 December 2021	5,922,483	24,362,120	7,353,229	944,045	5,116,035	43,697,912

The directors do not consider the remaining useful lives of property, plant and equipment to be materially different from the periods over which the assets are being depreciated. The depreciation charge is recognised within administrative expenses in the profit and loss account.

A breakdown of the Right to Use assets is included in note 13 below.

New Earth Solutions (West) Limited

Notes forming part of the financial statements
for the year ended 30 December 2022 *(continued)*

13 Right of use assets

	Property £	Motor Vehicles £	Plant and Machinery £	Total £
Cost				
At 31 December 2021	1,472,641	4,121,894	2,384,176	7,978,711
Additions	-	918,720	4,382,994	5,301,714
	<u>1,472,641</u>	<u>5,040,614</u>	<u>6,767,170</u>	<u>13,280,425</u>
Depreciation				
At 31 December 2021	234,758	1,617,069	1,010,849	2,862,676
Depreciation charge for the year	182,054	1,035,614	1,220,164	2,437,832
	<u>416,812</u>	<u>2,652,683</u>	<u>2,231,013</u>	<u>5,300,508</u>
Net book value				
At 30 December 2022	1,055,829	2,387,931	4,536,157	7,979,917
	<u>1,055,829</u>	<u>2,387,931</u>	<u>4,536,157</u>	<u>7,979,917</u>
At 30 December 2021	1,237,883	2,504,825	1,373,327	5,116,035
	<u>1,237,883</u>	<u>2,504,825</u>	<u>1,373,327</u>	<u>5,116,035</u>

14 Deferred tax

	2022 £	2021 £
At beginning of the financial year	(649,314)	376,636
Deferred tax charged to profit and loss account	(791,447)	(1,025,950)
	<u>(1,440,761)</u>	<u>(649,314)</u>
At end of the financial year	(1,440,761)	(649,314)
	<u>(1,440,761)</u>	<u>(649,314)</u>
	2022 £	2021 £
Accelerated capital allowances	(2,848,656)	(2,428,933)
Short Term Timing Differences	13,993	6,624
Losses and other deductions	1,393,902	1,772,995
	<u>(1,440,761)</u>	<u>(649,314)</u>
At end of the financial year	(1,440,761)	(649,314)
	<u>(1,440,761)</u>	<u>(649,314)</u>

New Earth Solutions (West) Limited

Notes forming part of the financial statements
for the year ended 30 December 2022 *(continued)*

15 Stock	2022 £	2021 £
Stock of fuel	187,838	55,299
Commodity Stock	713,151	-
Consumable Stock	50,000	-
	<u>950,989</u>	<u>55,299</u>
16 Debtors	2022 £	2021 £
Trade debtors	5,619,987	6,153,578
Prepayments	502,317	1,824,739
Accrued income	143,507	9,000
Corporation Tax	184,437	-
Amounts due from group undertakings	12,587,607	1,212,824
	<u>19,037,855</u>	<u>9,200,141</u>
Due within one year	<u>19,037,855</u>	<u>9,200,141</u>
Amounts due from group undertakings are unsecured, interest free and repayable on demand.		
17 Cash and cash equivalents	2022 £	2021 £
Cash and cash equivalents	1,943,420	833,784
	<u>1,943,420</u>	<u>833,784</u>
18 Creditors: amounts falling due within one year	2022 £	2021 £
Trade creditors	4,554,252	6,059,939
Accruals	4,633,585	1,836,153
Taxation and social security	453,341	836,866
Amounts owed to group undertakings	39,988,063	39,588,287
Lease liabilities	3,809,485	1,063,920
	<u>53,438,726</u>	<u>49,385,165</u>
Due within one year	<u>53,438,726</u>	<u>49,385,165</u>

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

New Earth Solutions (West) Limited

Notes forming part of the financial statements
for the year ended 30 December 2022 (continued)

19 Creditors: amounts falling due after more than one year	2022 £	2021 £
Lease liabilities	9,177,101	3,272,404
Amounts due to group undertakings	7,837,323	2,174,405
	<u>17,014,424</u>	<u>5,446,809</u>

Amounts owed to group undertakings are interest bearing at interest rates between 4.4% and 6.3% with a sixteen-year term.

20 Interest bearing loans and borrowings	2022 £	2021 £
Amounts falling due within one year		
Right of use lease liabilities	1,627,150	407,781
HP lease liabilities	2,182,335	656,139
	<u>3,809,485</u>	<u>1,063,920</u>
Amounts falling due after more than one year		
Right of use lease liabilities	2,838,649	1,945,735
HP lease liabilities	6,338,452	1,326,669
	<u>9,177,101</u>	<u>3,272,404</u>

21 Financial instruments

The company's financial instruments may be analysed as follows:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost	20,796,838	10,033,925
Financial liabilities measured at amortised cost	(69,999,809)	(53,995,108)
	<u>(49,202,971)</u>	<u>(43,961,183)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors, prepayments and accrued income and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and deferred income, right of use lease liabilities, finance lease liabilities and amounts owed to group undertakings.

New Earth Solutions (West) Limited

Notes forming part of the financial statements for the year ended 30 December 2022 (continued)

22 Called up share capital	2022 £	2021 £
<i>Allotted, called up and fully paid</i> 1 ordinary share of £1 each	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

23 Reserves

Capital contribution reserve

During the financial year ending 30 December 2021, the company received a capital contribution of £342,919 from Beuparc Utilities Holdings Limited.

24 Ultimate parent undertaking and controlling party

The company is owned by DM TopCo Limited which is incorporated in the UK. On 24 August 2021, the Beuparc Group was sold to Broom Holdings Bidco Limited, an Irish registered company, who in turn is owned by Broom Investments Limited, also an Irish registered company. Broom Holdings Bidco Limited and its immediate parent Broom Investments Limited were incorporated to facilitate the indirect acquisition of Beuparc Utilities Holdings Limited by Macquarie European Infrastructure Fund 6 SCSp ("MEIF 6") and MEIF 6 Co-Invest SCSp ("MEIF 6 Co-Invest"). 97% of the ordinary share capital of Broom Investments Limited is directly held by Broom Ventures S.à.r.l, a company incorporated and tax resident in Luxembourg. The remaining 3% of the ordinary share capital of Broom Investments Limited is beneficially owned by Management of Beuparc Utilities Holdings Limited.

Prior to this, the company considered Sretaw 3 Limited to be its ultimate parent company. The company was ultimately owned by Eamon Waters (99%) and Robert Waters (1% held in trust). Sretaw 3 Limited is incorporated in Ireland.

The smallest group in which the results of the company are consolidated is that headed by Broom Holdings Bidco Limited, 1st Floor, 118 Lower Baggot Street, Dublin 2, Ireland.

25 Related party transactions

The company has availed of the exemption outlined in paragraph 8(k) of FRS 101 from disclosing transactions entered into between members of the group, where the company as a party to the transaction is a wholly owned member.

26 Post balance sheet events

There were no significant events since the balance sheet date.

27 Capital commitments and contingencies

The company had no material capital commitments or contingent liabilities at 30 December 2022 (2021: £Nil).