

## **Aggregates West Limited**

**Annual Report and Audited Financial Statements**  
**Year ended 31 March 2022**

**Registration number: 12575686**



## **Aggregates West Limited**

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## **Aggregates West Limited**

### **Company Information**

#### **Directors**

Mr M C Denning (resigned on 2 August 2022)

Mr M E Thompson

Mr A N Widdowson

#### **Registered office**

Shakespeare Martineau LLP

6th Floor

60 Gracechurch Street

London

EC3V 0HR

#### **Auditors**

PKF Francis Clark

North Quay House

Sutton Harbour

Plymouth

Devon

PL4 0RA

## **Aggregates West Limited**

### **Directors' Report for the year ended 31 March 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr M C Denning (resigned on 2 August 2022)

Mr M E Thompson

Mr A N Widdowson (appointed on 4 October 2021)

#### **Directors' indemnity insurance**

The Parent Company provided Directors and Officers liability insurance for both the current and prior period.

#### **Principal activity**

The principal activity of the company is sales of aggregates.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

## Aggregates West Limited

### Directors' Report for the year ended 31 March 2022 (continued)

#### Reappointment of independent auditor

The auditor, PKF Francis Clark, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Post balance sheet events

On 21st April 2022, the Group and Company decided to pause development to re-optimize the project.

On 19th July 2022, after a three-month technical and commercial review of the assumptions that underlaid the Bankable Feasibility Study (BFS), the Board gave its approval to proceed with detailed engineering design and to commence construction of the Hemerdon Project with immediate effect.

The re-optimisation of the project could result in certain planned equipment initially ordered under the BFS plans, being no longer required. The most material being equipment ordered for the ore sorting process. The Group expect to re-sell any surplus machinery or keep as spare for future operations.

#### Small companies provision statement

The Directors' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

7/12/2022 | 13:55:00 GMT

The Directors' Report was approved by the Board on ..... and signed on its behalf by:

DocuSigned by:

*Anthony Nigel Widdowson*

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Mr A N Widdowson  
Director

## **Aggregates West Limited**

### **Independent Auditor's Report to the Members of Aggregates West Limited**

#### **Opinion**

We have audited the financial statements of Aggregates West Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit or Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework', in accordance with the provisions applicable to companies subject to the small companies regime.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Aggregates West Limited**

### **Independent Auditor's Report to the Members of Aggregates West Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 2], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Aggregates West Limited**

### **Independent Auditor's Report to the Members of Aggregates West Limited**

We obtained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates. We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS101 and Companies Act 2006) and the relevant tax compliance regulations in the UK. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty, including compliance with the Health and Safety at Work etc Act 1974 and the ongoing monitoring requirements imposed by the UK Environment Agency under the Environment Act 1995.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Reviewed legal and professional costs to identify legal costs in respect of non compliance;
- Discussions and enquiries with management whether there have been any known instances, allegations or suspicions of fraud or non compliance with laws and regulations;
- Review of board minutes or correspondence with regulators where available including the UK Environment Agency.

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 fraudulent financial reporting. Our procedures involved the following:

- Review of nominal journal entries for reasonableness;
- Review of significant accounting estimates for bias;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditor's report.

#### **Other matters**

Aggregates West Limited was eligible for audit exemption and did not opt to have an audit for the period ended 31 March 2021 and consequently the comparative information, which is derived from those financial statements, is unaudited.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



## **Aggregates West Limited**

### **Independent Auditor's Report to the Members of Aggregates West Limited**

*D Leslie*

.....  
Duncan Leslie (Senior Statutory Auditor)  
For and on behalf of PKF Francis Clark, Statutory Auditor

North Quay House  
Sutton Harbour  
Plymouth  
Devon  
PL4 0RA

Date: 08/12/2022

# Aggregates West Limited

## Profit and Loss Account Year ended 31 March 2022

		<b>Year ended 31 March</b>	<b>Unaudited Period ended 31 March</b>
	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Revenue</b>	<b>3</b>	<b>440,941</b>	<b>37,675</b>
Cost of sales		(1,677,256)	(179,522)
<b>Gross loss</b>		<b>(1,236,315)</b>	<b>(141,847)</b>
Administrative expenses		(260,057)	(10,645)
<b>Operating loss</b>		<b>(1,496,372)</b>	<b>(152,492)</b>
Interest payable and similar charges		(391)	-
<b>Loss before tax</b>		<b>(1,496,763)</b>	<b>(152,492)</b>
Tax on loss	<b>7</b>	-	-
<b>Loss for the financial year/period</b>	<b>4</b>	<b>(1,496,763)</b>	<b>(152,492)</b>

All amounts relate to continuing operations.

There were no items of other comprehensive income in either period.

## Aggregates West Limited


### Balance Sheet At 31 March 2022

			Unaudited
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	976	-
		<u>976</u>	<u>-</u>
<b>Current assets</b>			
Inventories	9	136,444	-
Debtors	10	122,803	44,543
Cash at bank and in hand		65,794	17,152
		<u>325,041</u>	<u>61,695</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(1,975,172)</u>	<u>(214,087)</u>
<b>Net current liabilities</b>		<u>(1,650,131)</u>	<u>(152,392)</u>
<b>Total assets less current liabilities and net liabilities</b>		<u>(1,649,155)</u>	<u>(152,392)</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account		<u>(1,649,255)</u>	<u>(152,492)</u>
<b>Shareholders' deficit</b>		<u>(1,649,155)</u>	<u>(152,392)</u>

7/12/2022 | 13:55:00 GMT

The financial statements were approved by the Board and were authorised for issue on .....  
and were signed on behalf of the Board by:

DocuSigned by:



34308461FD4B400.....

Mr A N Widdowson  
Director

Company Registration Number: 12575686

## Aggregates West Limited

### Statement of Changes in Equity for the year ended 31 March 2022

	Share Capital £	Profit and loss account £	Total £
<b>Year ended 31 March 2022</b>			
Brought forward at 1 April 2021	100	(152,492)	(152,392)
Loss for the year	-	(1,496,763)	(1,496,763)
Carried forward at 31 March 2022	<u>100</u>	<u>(1,649,255)</u>	<u>(1,649,155)</u>

<b>Unaudited</b>	Share Capital £	Profit and loss account £	Total £
<b>Period ended 31 March 2021</b>			
Loss for the period	-	(152,492)	(152,492)
Issue of share capital	100	-	100
Carried forward at 31 March 2021	<u>100</u>	<u>(152,492)</u>	<u>(152,392)</u>

#### Nature and purpose of each reserve within equity

**Share Capital** – this represents the nominal value of share capital issued by the company

**Profit and loss account** – this is the accumulated profits and losses of the company and accumulated items of other comprehensive income not presented elsewhere in reserves, less any amounts previously distributed or capitalised

# **Aggregates West Limited**

## **Notes to the Financial Statements Year ended 31 March 2022**

### **1 General information**

Aggregates West Limited ("the company") is a private company limited by share capital, incorporated in England and Wales. The principal activity of the company is sales of aggregates.

The address of the company's registered office is:

Shakespeare Martineau LLP  
6th Floor  
60 Gracechurch Street  
London  
EC3V 0HR  
United Kingdom

The company's principal place of business is:

Hemerdon Mine  
Drakelands  
Plympton  
Devon  
PL7 5BS  
United Kingdom

7/12/2022 | 13:55:00 GMT

These financial statements were authorised for issue by the Board on .....

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

##### **Basis of preparation**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

These financial statements have been prepared under the historical cost convention

These are the first financial statements prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The company had previously applied Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the UK and the Republic of Ireland' ("FRS 102").

The impact of the company's transition from FRS 102 to FRS 101 on the company's results and financial position in previous periods was not material and as a consequence no transition adjustments were necessary.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. Significant judgements and key areas of estimation uncertainty are noted below.

##### **Accounting periods presented**

The accounting period for the current reporting period is for the twelve months ended 31 March 2022. The comparative period represents the period from 28 April 2020 to 31 March 2021. The results for each financial year may therefore not be entirely comparable.

## Aggregates West Limited

### Notes to the Financial Statements Year ended 31 March 2022

#### 2 Accounting policies *continued*

##### Reduced disclosure exemptions applied

In the preparation of these financial statements the company has applied the following reduced disclosure exemptions permitted by FRS 101:

- No statement of cash flows has been presented.
- Related party transactions between wholly owned members of the group headed by Tungsten West plc are not disclosed
- The remuneration of key management personnel required by IAS 24 *Related Party Disclosure* is not disclosed
- A comparative statement of the movements in tangible fixed assets has not been disclosed.
- Information on financial instruments as required by IFRS 7 *Financial Instruments: Disclosures* has not been disclosed
- The effect of new and revised IFRS standards not yet effective and not yet applied has not been disclosed
- A statement of financial position at the beginning of the earliest period presented as required by IFRS 1 *First-time adoption of International Financial Reporting Standards* has not been presented.

FRS 101 offers other reduced disclosure exemptions in addition to the above which are not relevant in the preparation of these financial statements.

The company appears in the consolidated financial statements of Tungsten West plc and copies of the financial statements of Tungsten West plc may be obtained from the company's website.

##### Going concern

The Company is in a significant net liability position at year end and is reliant on the continuing financial support of the Tungsten West group. The Directors have carefully considered the Group's financial position, liquidity and future cash-flow requirements. The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. In October 2021, the Group raised £36 million by way of an initial public offering and at the year-end, had £28.8 million in cash reserves and £12.5m million at the beginning of December 2022. For the Group to be able to execute its estimated capex spend of £33.8 million, it still requires additional funding and is in discussions with financing partners to provide the additional capital.

Until the additional capital is secured, the Group will begin to proceed with detailed engineering design and will commence construction by utilising cash reserves. The board will not commit to significant further capital expenditure until the full finance package is in place to complete the rebuild.

Management has prepared a number of different forecasts to model all anticipated potential outcomes as follows:

##### *Model 1 – Capital build basis*

This scenario models management's intended plan of the expected future outflows required to complete the capital build once finance is secured. Sensitivity analysis has been applied in terms of when the project would restart, availability of additional capital and the cashflow demands for each scenario. As the terms of any finance package have not yet been agreed the model does not include costs of finance. Management are satisfied there is sufficient headroom to service the projected cost of debt when this is agreed. As negotiations with finance providers proceed the model will be updated with the anticipated finance costs to ensure that a sufficient level of liquidity is maintained.

Management is confident that the project finance can be secured to complete the capital build under the updated business plan. Management acknowledge that the group could fall-back to a more modest business plan in the short term to maintain cash reserves if the economic environment were to deteriorate.

## **Aggregates West Limited**

### **Notes to the Financial Statements Year ended 31 March 2022**

#### **2 Accounting policies continued**

##### **Going concern (continued)**

###### *Model 2 – Operational readiness basis*

This forecast models the scenario where part of the finance is drawn but not all the required finance is agreed in sufficient time, as full funding is dependent on certain conditions being met. If these conditions are delayed, and the Board decides there is insufficient visibility that they will be met, then the Board will instruct the company to pause the project and return to operational readiness.

The Group would continue in operation and will be able to realise its assets and discharge its liabilities as they fall due in the normal course of operations, including any committed expenditure that is required to meet its contractual capital and financial commitments.

No further capital expenditure would be committed but activity and staffing levels would be maintained so that project restart could be recommenced as soon as finance is secured. The group retains sufficient cash at the current time to operate under Model 2 for at least eighteen months.

###### *Model 3 – Care and maintenance basis*

Whilst management consider this to be the least likely and desired option for all stakeholder groups, it has prepared a forecast on a care and maintenance basis to cover this unlikely scenario.

This forecast models the scenario where project finance is not agreed. The Group would reduce its operations but continue to discharge its liabilities as they fall due in the normal course of operations, including any committed expenditure that is required to meet its contractual capital and financial commitments. No further capital expenditure would be committed but operational expenditure would be reduced to essential care and maintenance activities only. Management would continue to develop a plan to recommence development of the site when finance could be secured. The Group retains sufficient cash at the current time to operate under Model 3 for at least 15 months.

The directors have reviewed the three models detailed above. As a result, they consider that the group and Aggregates West Limited will be able to operate as a going concern for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial information.

##### **Judgements and key sources of estimate uncertainty**

###### *Capitalisation of costs*

The Directors have reviewed any costs relating to evaluating the technical feasibility of processing the aggregates into a commercial product and have expensed these costs in line with the current policy.

The Company will commence capitalisation of development costs at the point when available finance has been secured to complete the project in accordance with IAS 38. Development costs that are capitalised in accordance with the requirements of IFRS are not treated, for dividend purposes, as a realised loss. The group has currently capitalised no research and development costs in accordance with IAS38.

###### *Capitalisation of planning permission costs*

Directors have reviewed any costs relating to the HGV movement planning permission process in accordance with IAS 16 and have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. At the year end, £Nil (2021: £Nil) costs have been capitalised.

## **Aggregates West Limited**

### **Notes to the Financial Statements Year ended 31 March 2022**

#### **2 Accounting policies *continued***

##### **Revenue recognition**

In the year revenue has mainly related to the sale of aggregates produced from the mining waste from excavations. This is recognised on delivery to customers at the fair value of consideration receivable at that date.

##### **Income taxes**

Income tax expense consists of the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported for accounting purposes because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for tax matters that are uncertain if it is considered probable that there will be a future outflow of funds to a tax authority. The provision is measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The company intends to submit research and development tax credit claims. The company accounts for a claim at the point it has been approved by HMRC.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.



## **Aggregates West Limited**

### **Notes to the Financial Statements Year ended 31 March 2022**

#### **2 Accounting policies *continued***

##### **Tangible fixed assets**

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

- Furniture, fittings and equipment 5% – 20% Straight Line

##### **Inventories**

Inventory consists of finished aggregates on hand. The aggregates is carried at the lower of cost or net realisable value. The cost of the aggregates includes direct materials, direct labour, depreciation, and overhead costs relating to the aggregates processing activities.

Net realisable value is the estimated selling price net of any estimated selling costs in the ordinary course of business. Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the aggregates to their present location and condition.

##### **Financial instruments**

###### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances.

###### ***Recognition and measurement***

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

The Company derecognises a financial asset when; the contractual rights to the cash flows from the financial asset expire, it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

## Aggregates West Limited

### Notes to the Financial Statements Year ended 31 March 2022

#### 3 Revenue

All revenues are in respect of sales of goods which arise solely in the United Kingdom.

#### 4 Loss for the financial year

Loss for the year is stated after charging/(crediting):

	2022	2021
	£	£
Auditor's remuneration – audit of financial statements	8,000	-
Depreciation of tangible fixed assets	35	-
	<u>          </u>	<u>          </u>

#### 5 Wages and salaries

Staff costs recognised during the year were as follows:

	2022	2021
	£	£
Wages and salaries	88,091	47,849
Employers' national insurance	1,762	-
Pension contributions	726	-
	<u>90,579</u>	<u>          </u>

The average number of persons employed by the company (including directors) during the year, was 2 (2021 – nil).

#### 6 Directors' remuneration

There was no Director remuneration during the year (2021: £nil).

# Aggregates West Limited

## Notes to the Financial Statements Year ended 31 March 2022

### 7 Tax on loss

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on loss for the year/period	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
<b>Total deferred tax</b>	-	-
<b>Tax on loss</b>	-	-
The tax charge differs to the standard rate of tax in the United Kingdom. The reasons for the difference are set out below.		
<b>Loss for the year before tax</b>	<b>(1,496,763)</b>	<b>(152,492)</b>
<b>Loss before tax multiplied by the standard rate of tax in the United Kingdom of 19% (2021 – 19%):</b>	<b>(284,385)</b>	<b>(28,973)</b>
Fixed asset differences	7	-
Remeasurement of unrecognised deferred tax	(98,975)	-
Movement in deferred tax not recognised	383,425	28,973
Other	(72)	-
<b>Tax on loss</b>	-	-

The company had unutilised tax losses of £1,649,591 (2021 £152,492) carried forward to utilised against future profits for which no deferred tax has been recognised.

#### Factors that may affect future tax charges

From 1 April 2023, the Corporation Tax main rate will increase to 25% for profits over £250,000. A small profits rate will also be introduced for profits of £50,000 or less, charging Corporation Tax at 19%.

Profits between £50,000 and £250,000 will be taxed at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

## Aggregates West Limited

### Notes to the Financial Statements Year ended 31 March 2022

#### 8 Fixed Assets

	Fixtures & Fittings £	Total £
<b>Cost or valuation</b>		
At 28 April 2020	-	-
Additions	-	-
<b>At 31 March 2021</b>	-	-
Additions	1,011	1,011
Reclassifications	-	-
<b>At 31 March 2022</b>	<b>1,011</b>	<b>1,011</b>
<b>Depreciation</b>		
At 28 April 2020	-	-
Charge for the year	-	-
<b>At 31 March 2021</b>	-	-
Charge for the year	35	35
<b>At 31 March 2022</b>	<b>35</b>	<b>35</b>
<b>Carrying amount</b>		
<b>At 31 March 2022</b>	<b>976</b>	<b>976</b>
At 31 March 2021	-	-

#### 9 Inventories

	2022 £	2021 £
Aggregates	136,444	-

The amount of inventories recognised as an expense in cost of sales during the year is £1,283,883 (2021: £106,479)

# Aggregates West Limited

## Notes to the Financial Statements Year ended 31 March 2022

### 10 Debtors

	2022 £	2021 £
Trade debtors	102,643	25,074
Other debtors	20,160	19,469
	<u>122,803</u>	<u>44,543</u>

The average credit period on sales of goods is 30 days (2021: 30 days). No interest is charged on outstanding trade debtors.

### 11 Creditors - amounts falling due within one year

	2022 £	2021 £
<b>Due within one year</b>		
Trade creditors	30,769	73,354
Amounts due to group undertakings	981,084	69,938
Accruals and deferred income	963,319	70,795
	<u>1,975,172</u>	<u>214,087</u>

Trade creditors comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2021 – 45 days).

### 12 Share capital

#### Allotted, called up and fully paid shares

	2022 £	2021 £
<b>Due within one year</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### Rights attaching to shares

The holders of the ordinary shares are entitled to one vote per share held and are entitled to dividends declared by the directors. On a winding up the ordinary shareholders are entitled to a pro-rata share of the company's net assets on a wind up.

### 13 Related party transactions

The company has taken advantage of the exemption in FRS 101 from disclosing transactions and balances with other wholly owned members of the group headed by Tungsten West Plc.

## Aggregates West Limited

### Notes to the Financial Statements Year ended 31 March 2022

#### 14 Parent and ultimate parent company

The company's ultimate parent company is Tungsten West Plc, incorporated in England and Wales.

The parent of the smallest group in which these financial statements are consolidated is Tungsten West Plc, incorporated in England and Wales.

The registered office of Tungsten West Plc is located at:

Shakespeare Martineau LLP  
6th Floor  
60 Gracechurch Street  
London  
EC3V 0HR  
United Kingdom

#### 15 Application of new and revised UK adopted International Financial Reporting Standards (UK-adopted IFRS)

*New and amended Standards and Interpretations applied*

None of the new or amended IFRS Standards had an effect on the financial statements.

*New and revised Standards and Interpretations in issue but not yet effective*

At the date of authorisation of these financial statements, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
Annual improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2023

None of the above amendments are anticipated to have a material impact on future financial statements.

#### 16 Post balance sheet events

On 19 July 2022, after a three-month technical and commercial review of the assumptions that underlaid the BFS, the Board gave its approval to proceed with detailed engineering design and to commence construction of the Hemerdon Project with immediate effect.

The re-optimisation of the project could result in certain planned equipment initially ordered under the BFS plans being no longer required, the most material being equipment ordered for the ore-sorting process. The Group expects to resell any surplus machinery or keep as spare for future operations. The value of this committed capital expenditure is estimated at £1.6 million with a capital commitment balance of £7.2 million.

For information on updated project plans, please see the group accounts on [www.tungstenwest.com](http://www.tungstenwest.com).