

REGISTERED NUMBER: 01201361 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
TOM WHITE WASTE LIMITED**

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TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

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for the year ended 31 March 2023**

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TOM WHITE WASTE LIMITED
COMPANY INFORMATION
for the year ended 31 March 2023

DIRECTORS: Mr P Helm
Mr G W McKelvie
Mr J A Tranter
Mr A J Walster
Mr A P Williams

SECRETARY: Mr G S Sangha

REGISTERED OFFICE: Unit 13a Stonebrook Way
Longford
Coventry
West Midlands
CV6 6LN

REGISTERED NUMBER: 01201361 (England and Wales)

AUDITORS: Luckmans Duckett Parker Limited
Chartered Accountants
Statutory Auditors
1110 Elliott Court
Herald Avenue
Coventry Business Park
Coventry
West Midlands
CV5 6UB

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

REVIEW OF BUSINESS

Strategy

As a waste management company, Tom White's strategy lies within its vision and values - to offer unparalleled waste solutions that empowers our local customers, ensuring they take accountability for their waste, whilst reaching for their sustainability goals. Minimising our impact on the planet, maximising our impact on the future. People, Planet and Purpose.

People first - we provide a diverse and nurturing work culture and invests in our people's growth and development. We listen to our customers and continue to develop our strategy to better support all waste management requirements and help the local people achieve community and environmental goals.

Protect our Planet - we continue to reduce our carbon emissions, achieve zero waste to landfill, and never export waste outside of the UK, all whilst providing quality waste management solutions. We do this, not because we have to but because it's the right thing to do.

Profit for Purpose - we operate a profit for purpose business model, where 100% of our profit is used to benefit the communities we serve, to support education, health services and community projects. As we grow and expand, so does the impact of our purpose.

Fair Review of the Business

The group which comprises of Tom White Waste Limited and its wholly owned subsidiaries, Tom White Waste (LACO) Limited and A&M Metals & Waste Limited, is owned by the immediate parent company Coventry Municipal Holdings Limited. The ultimate parent organisation is Coventry City Council.

The principal activity of the group remained the same throughout the year providing waste management and recycling services to local communities within the Coventry and Warwickshire area.

The group accounts have been prepared under the UK adopted International Financial Reporting Standards (IFRSs). The results for the year ended 31 March 2023 shows group revenues increased by 25% from £17,213,033 in 2022 to £21,567,957 in 2023. Gross profit increased by 52% from £3,970,839 in 2022 to £6,031,337 in 2023. The group made a loss after tax for the year of £313,851 compared to £3,257,042 loss after tax in the previous year. At 31 March 2023 total equity stood at £3,044,182 (2022: £3,358,033) with total cash and cash equivalents of £472,826 (2022: £471,370).

A summary of the Group's key performance indicators are as follows:

	Year ended 31.3.23	Year ended 31.3.22
Group Revenue	£21.568m	£17.213m
Gross Margin	28.0%	23.1%
Operating Margin	1.2%	-19.3%

The results reflect a significant improvement in the group's profitability. By balancing the operational capabilities with its appetite for growth, we were better able to maximize our waste diversion and recovery thereby ensuring minimal landfill. Improvements in materials flow, operational excellence, preventative maintenance, and a focus by our commercial teams on established waste stream inputs in line with our processing capability, yield significant rewards in terms of profitability as well as the liquidity benefits.

With the waste management industry in a state of constant change we continue to invest in our people and systems with a constant focus on safety and compliance. The group engages regularly with its employees via tool box talks, regular drivers' meetings, feedback forums as well as promoting an open door policy to all.

**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware of the various risks and uncertainties affecting the business some of which are inherent to the industry in which the group operates and are likely to affect the financial performance and financial position of the group. The main principal risks and uncertainties that the group is exposed to are listed below along with the approach to mitigate those risks

Political Risk

The group is politically exposed by virtue of the fact that the ultimate parent organisation is Coventry City Council. In addition, the group operates in a highly regulated industry and any changes to Government policies requires the Directors to implement laws and regulations set by the Government, which could have an adverse impact on the Group's operations and financial performance. The Directors continually monitor such risk to ensure regulatory compliance is continually achieved and where necessary, assistance from Local Authority, Government Agencies and other external advisors is obtained on a timely basis.

Economic Environment Risk

The Group operates in local communities within the Coventry and Warwickshire area. Changes in local economic conditions may have an adverse impact on the Group's operational and financial performance. The Group is exposed to social economic risks where a weakening in the economy could result in reduced provision of waste management and recycling service, subsequently impacting pricing and customer base. To mitigate this risk the Group provides services to customers in both the public and private sector.

Credit Risk

The nature of waste management presents the business with both regular high value customers but also smaller one off users wherein both customer type present varying degrees of credit risk. Any customers trading below £1,000 per month are encouraged to pay by direct debit thereby ensuring debts are collected within a 30 day window. The 30 day credit term is the norm for the group and any customers on an open account will have had a credit check undertaken before credit terms are given. Effective credit control and a stop list ensure that the group minimizes its exposure.

Liquidity Risk

The group undertakes long range forecasting to ensure its vision and strategic direction of travel deliver benefit to its shareholder. In addition the group undertakes a short range cash forecast of 13 and 26 weeks to ensure liquidity issues, if present, are identified as early as possible thereby presenting the Directors with the ability to adopt a differing course to ensure liquidity levels are maintained.

Market Risk

The waste management industry faces price volatility in a number of areas. Legislation changes directly effect the price of disposal as well as changes in classification. In addition the fluctuating price of energy has to be mitigated along with other cost pressures during periods of higher inflation. Fixing contracts for extended periods ensures where possible to provide a stable price and as such can pass this stability on to our customers.

Financial Risk

Higher rates of interest impact the group as the assets required to undertake waste collection have provided by asset backed lending. Again these interest rates are taken on a fixed rate where suitable or alternatively if rates are high, the group adopts a variable rate solution with a view to re-finance at a fixed rate if rates the move in the group's favour.

Currency Risk

The group does not export waste and processes and recovers waste solely within the UK and as such is not susceptible to foreign currency risk.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

FUTURE DEVELOPMENTS

Significant improvement in results has led us to reconsider the redevelopment of our Materials Recycling Facility ("MRF") and instead focus on deriving further benefits via additional processing of our existing waste streams with a view to becoming a direct supplier of recovered fuel. The investment required to achieve this, whilst still significant, can be achieved via current cashflows and will negate the need to take additional loan facilities from Coventry City Council.

The group's workforce is constantly trained, particularly in Health and Safety matters, where the company's policies are clearly stated and are carefully displayed to ensure all employees are constantly aware of the inherent risks in the workplace.

ON BEHALF OF THE BOARD:

Mr A J Walster - Director

Date: 15th Dec 2023

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

Tom White Waste Limited and its wholly owned subsidiaries (the 'Group') is owned by the immediate parent company Coventry Municipal Holdings Limited and the ultimate parent organisation Coventry City Council. The Group includes the following subsidiaries:

- Tom White Waste (LACO) Limited; and
- A&M Metals & Waste Limited

The principal activity of the Group in the year under review continued to be that of provision of waste management and recycling services.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2023 (2022: £500,000).

RESEARCH AND DEVELOPMENT

No specific research and development activities have been undertaken during the year.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr P Helm
Mr G W McKelvie
Mr J A Tranter
Mr A J Walster
Mr A P Williams

FINANCIAL INSTRUMENTS

The Group holds or issues financial instruments to finance its operations and enter contracts with customers and suppliers to manage risks arising from its operations and its sources of finance in accordance with the Group's accounting policies. The Group's financial instruments comprise trade and other receivables, amounts due from group undertakings, trade and other creditors and amounts due to group undertakings all of which arise directly from the operations of the Group. Cash is held with reputable financial institutions to minimise credit risk.

Information on the financial exposure and risk management is disclosed within the Strategic Report.

POLITICAL DONATIONS AND EXPENDITURE

During the year under review and the previous period the Group did not make any donations for political purposes.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5m.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2023**

GOING CONCERN

During the year ended 31 March 2023, the Group's financial performance markedly improved over the prior year which had materially been impacted by operational and impairment issues. By balancing the feeds to the waste recycling plant, we were able to achieve far greater efficiencies which in turn led to improved profitability and recycling of waste streams.

In determining the appropriate basis of preparation of the financial statements for the group for the year ended 31 March 2023, the directors are required to consider whether the group can continue in operational existence for at least 12 months from the date of approval of the financial statements.

The Directors prepared financial forecasts and projections to 31 March 2027. Within these financial projections, management reviewed profit and net cash flow in the period. The performance trend of March 2023 continues throughout these forecasts and is further supplemented by both expansion, productivity and efficiency initiatives. The Group is proactively driving down the cost of disposal via additional waste separation and additional processing. This additional focus allows the Group to expand its presence in certain waste streams where it can efficiently expand turnover and generate additional revenues and profits above and beyond its current levels with minimal capital investment.

At 31 March 2023 the Group has un-utilised banking facilities available and cash and cash equivalents of £473K and therefore have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. This puts the Group in a position to manage fluctuations in financial performance for at least 12 months from the date of approval of the financial statements.

Having undertaken the going concern assessment, the Directors have concluded that it is appropriate to adopt the going concern basis. They do not consider there to be any material uncertainty relating to the Group's ability to continue as a going concern.

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006, the Directors have set out certain information in the Group's Strategic Report which would otherwise be required by Schedule 7 to be contained in the Report of the Directors. It has done so in respect of principal risks and uncertainties and future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2023**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr A J Walster - Director

Date:

15th Dec 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOM WHITE WASTE LIMITED

Opinion

We have audited the financial statements of Tom White Waste Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TOM WHITE WASTE LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOM WHITE WASTE LIMITED

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- Reference to past history and experience of the Entity and Group
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity and Group procedures relating to:
 - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud.
 - assessment of the controls and processes that the Entity and Group has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- Management override of control;
- Revenue recognition, particularly in respect of rendering of services

We design audit procedures by tailored and directed testing to aid and support the determined level of risk. In response to the assessed risk we plan audit tests and procedures that target specific areas where misstatement may occur. These procedures and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies
- We assessed the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements
- We reviewed the Entity and Group accounting policies for non-compliance with relevant standards.
- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations

In performing an audit in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TOM WHITE WASTE LIMITED**

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 a Report of the Auditors 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.

Mr Ashwani Rishiraj FCA (Senior Statutory Auditor)
for and on behalf of Luckmans Duckett Parker Limited
Chartered Accountants
Statutory Auditors
1110 Elliott Court
Herald Avenue
Coventry Business Park
Coventry
West Midlands
CV5 6UB

Date:15/12/2023.....

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2023

	Notes	2023 £	2022 £
CONTINUING OPERATIONS			
Revenue	3	21,567,957	17,213,033
Cost of sales		(15,536,620)	(13,242,194)
GROSS PROFIT		6,031,337	3,970,839
Other operating income	4	73,120	117,012
Administrative expenses		(5,837,676)	(7,415,158)
OPERATING PROFIT/(LOSS)		266,781	(3,327,307)
Finance costs	7	(367,056)	(99,600)
Finance income	7	654	-
LOSS BEFORE INCOME TAX	8	(99,621)	(3,426,907)
Income tax	10	(214,230)	169,865
LOSS FOR THE YEAR		(313,851)	(3,257,042)
Loss attributable to: Owners of the parent		(313,851)	(3,257,042)

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2023

	2023 £	2022 £
LOSS FOR THE YEAR	(313,851)	(3,257,042)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(313,851)</u>	<u>(3,257,042)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(313,851)</u>	<u>(3,257,042)</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	14	8,125,177	8,507,866
Right-of-use			
Property, plant and equipment	14, 22	6,488,701	3,711,259
Investments	15	-	-
		<hr/>	<hr/>
		14,613,878	12,219,125
CURRENT ASSETS			
Trade and other receivables	16	3,350,431	3,756,530
Tax receivable		509,276	509,276
Cash and cash equivalents	17	472,826	471,370
		<hr/>	<hr/>
		4,332,533	4,737,176
TOTAL ASSETS		<hr/> <hr/>	<hr/> <hr/>
		18,946,411	16,956,301
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	100	100
Retained earnings	19	3,044,082	3,357,933
		<hr/>	<hr/>
TOTAL EQUITY		3,044,182	3,358,033
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	8,058,512	5,175,877
Deferred tax	24	1,248,711	1,034,481
		<hr/>	<hr/>
		9,307,223	6,210,358
CURRENT LIABILITIES			
Trade and other payables	20	4,895,048	6,001,840
Contract liabilities	3	282,133	-
Financial liabilities - borrowings			
Bank overdrafts	21	-	14
Interest bearing loans and borrowings	21	1,417,825	1,236,714
Tax payable		-	149,342
		<hr/>	<hr/>
		6,595,006	7,387,910
TOTAL LIABILITIES		<hr/> <hr/>	<hr/> <hr/>
		15,902,229	13,598,268
TOTAL EQUITY AND LIABILITIES		<hr/> <hr/>	<hr/> <hr/>
		18,946,411	16,956,301

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2023

The financial statements were approved by the Board of Directors and authorised for issue on
...15.12.2023..... and were signed on its behalf by:

Mr A J Walster - Director

Mr J A Tranter - Director

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	14	8,125,177	8,507,866
Right-of-use			
Property, plant and equipment	14, 22	6,488,701	3,711,259
Investments	15	101	101
		<u>14,613,979</u>	<u>12,219,226</u>
CURRENT ASSETS			
Trade and other receivables	16	4,843,006	4,913,949
Tax receivable		509,276	509,276
Cash and cash equivalents	17	472,338	470,844
		<u>5,824,620</u>	<u>5,894,069</u>
TOTAL ASSETS		<u>20,438,599</u>	<u>18,113,295</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	100	100
Retained earnings	19	3,024,787	3,277,380
TOTAL EQUITY		<u>3,024,887</u>	<u>3,277,480</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	8,058,512	5,175,877
Deferred tax	24	1,248,711	1,034,481
		<u>9,307,223</u>	<u>6,210,358</u>
CURRENT LIABILITIES			
Trade and other payables	20	6,406,531	7,239,387
Contract liabilities	3	282,133	-
Financial liabilities - borrowings			
Bank overdrafts	21	-	14
Interest bearing loans and borrowings	21	1,417,825	1,236,714
Tax payable		-	149,342
		<u>8,106,489</u>	<u>8,625,457</u>
TOTAL LIABILITIES		<u>17,413,712</u>	<u>14,835,815</u>
TOTAL EQUITY AND LIABILITIES		<u>20,438,599</u>	<u>18,113,295</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

COMPANY STATEMENT OF FINANCIAL POSITION - continued
31 March 2023

The financial statements were approved by the Board of Directors and authorised for issue on 15/12/2023 and were signed on its behalf by:

Mr A J Walster - Director

Mr J A Tranter - Director

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	7,114,975	7,115,075
Changes in equity			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	(3,257,042)	(3,257,042)
Balance at 31 March 2022	<u>100</u>	<u>3,357,933</u>	<u>3,358,033</u>
Changes in equity			
Total comprehensive income	-	(313,851)	(313,851)
Balance at 31 March 2023	<u>100</u>	<u>3,044,082</u>	<u>3,044,182</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	7,034,422	7,034,522
Changes in equity			
Issue of share capital	-	-	-
Dividends	-	(500,000)	(500,000)
Total comprehensive income		(3,257,042)	(3,257,042)
Balance at 31 March 2022	<u>100</u>	<u>3,277,380</u>	<u>3,277,480</u>
Changes in equity			
Total comprehensive income	-	(252,593)	(252,593)
Balance at 31 March 2023	<u>100</u>	<u>3,024,787</u>	<u>3,024,887</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

		2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	1,352,993	2,336,968
Interest paid		(166,067)	(34,379)
Lease interest paid		(200,989)	(65,221)
Tax paid		(149,342)	(19,286)
		836,595	2,218,082
Net cash from operating activities			
Cash flows from investing activities			
Purchase of tangible fixed assets		(352,314)	(646,428)
Sale of tangible fixed assets		371,500	18,008
Interest received		654	-
		19,840	(628,420)
Net cash from investing activities			
Cash flows from financing activities			
Proceeds from borrowings		533,000	-
Repayment of borrowings		(71,558)	121,606
Repayment of lease liabilities		(1,316,407)	(1,102,737)
Equity dividends paid		-	(500,000)
		(854,965)	(1,481,131)
Net cash from financing activities			
Increase in cash and cash equivalents		1,470	108,531
Cash and cash equivalents at beginning of year	2	471,356	362,825
		472,826	471,356
Cash and cash equivalents at end of year	2	472,826	471,356

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS	2023	2022
	£	£
Loss before income tax	(99,621)	(3,426,907)
Depreciation charges	1,626,682	2,241,110
Profit on disposal of fixed assets	(121,910)	(18,008)
Impairment of tangible fixed assets	-	1,129,751
Finance costs	367,056	99,600
Finance income	(654)	-
	<u>1,771,553</u>	<u>25,546</u>
Decrease/(increase) in trade and other receivables	406,099	(609,551)
(Decrease)/increase in trade and other payables	(1,106,792)	2,920,973
Increase in contract liabilities	282,133	-
	<u>1,352,993</u>	<u>2,336,968</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	472,826	471,370
Bank overdrafts	-	(14)
	<u>472,826</u>	<u>471,356</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	471,370	362,839
Bank overdrafts	(14)	(14)
	<u>471,356</u>	<u>362,825</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. STATUTORY INFORMATION

Tom White Waste Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

Tom White Waste Group consists of Tom White Waste Limited, A&M Metals and Waste Limited and Tom White Waste (LACO) Limited.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) using the acquisition method of accounting. All financial statements are made up to 31 March each year. Control is achieved when the Company:

- has power over the entity;
- is exposed to, or has rights to, variable returns from its involvement with the entity; and
- has ability to affect those returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intra-group transactions and balances on transactions between group companies are eliminated on consolidation.

Going concern

During the year ended 31 March 2023, the Group's financial performance markedly improved over the prior year which had materially been impacted by operational and impairment issues. By balancing the feeds to the waste recycling plant, we were able to achieve far greater efficiencies which in turn led to improved profitability and recycling of waste streams.

In determining the appropriate basis of preparation of the financial statements for the group for the year ended 31 March 2023, the directors are required to consider whether the group can continue in operational existence for at least 12 months from the date of approval of the financial statements.

The Directors prepared financial forecasts and projections to 31 March 2027. Within these financial projections, management reviewed profit and net cash flow in the period. The performance trend of March 2023 continues throughout these forecasts and is further supplemented by both expansion, productivity and efficiency initiatives. The Group is proactively driving down the cost of disposal via additional waste separation and additional processing. This additional focus allows the Group to expand its presence in certain waste streams where it can efficiently expand turnover and generate additional revenues and profits above and beyond its current levels with minimal capital investment.

At 31 March 2023 the Group has un-utilised banking facilities available and cash and cash equivalents of £473K and therefore have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. This puts the Group in a position to manage fluctuations in financial performance for at least 12 months from the date of approval of the financial statements.

Having undertaken the going concern assessment, the Directors have concluded that it is appropriate to adopt the going concern basis. They do not consider there to be any material uncertainty relating to the Group's ability to continue as a going concern.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

Deferred tax asset

The group has tax losses available for offset against future trading profits of approximately £3.3m at 31 March 2023. A deferred tax asset in respect of these losses of £0.8m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Accruals

Estimation is required in determining an appropriate amount to accrue in respect of uninvoiced expenses. The amounts accrued are based on managements best estimate of such costs after considering works performed to the year end date.

Useful economic lives of fixed assets

Estimation is required in determining the useful economic lives over which assets are depreciated. In estimating the useful economic life of the asset management take into consideration expected condition and use of the asset.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Revenue recognition

The Group's revenue is derived from the collection, transport, and disposal of commercial and domestic waste arising in the United Kingdom.

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Landfill tax is included within cost of sales. The policies adopted for the recognition of revenue are as follows:

Sale of goods

Revenue from the sale of goods are recognised when control of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. This is usually on dispatch of the goods.

Rendering of services

Revenue from providing services, where performance obligations are satisfied over time, is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule which has usually been set to be broadly aligned with the volume of work performed. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Dividend and interest income

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established. Each is then shown separately in the statement of profit or loss and other comprehensive income.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	-	2% on cost
Leasehold land and buildings	-	over period of the lease
Plant and machinery	-	3 - 10 years straight line
Fixtures and fittings	-	3 - 10 years straight line
Motor vehicles	-	3 - 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is charged or credited to profit and loss.

Impairment of property, plant and equipment

At each reporting period end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication of impairment. Where impairment is indicated, the recoverable amount of the asset is estimated, which is calculated by the higher of fair value less costs of disposal compared with value in use, to determine the level of the impairment.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified third-party valuers to perform such valuations. The Board of Directors work with these valuers to establish an appropriate technical approach, understanding of the asset and to establish the inputs.

Value in use is calculated using estimated cash flows. These are discounted using an appropriate long-term pre-tax interest rate. When an impairment arises, the useful life of the asset in question is reviewed and, if necessary, the future depreciation/amortisation charge is accelerated.

When the recoverable amount of an asset is less than its carrying amount, then the carrying amount is reduced to its recoverable value. This reduction is reported in the statement of profit or loss and other comprehensive income as an impairment loss.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

Financial assets

Financial assets are subsequently classified into the following specified categories:

- financial assets at fair value through profit or loss, including held for trading;
- fair value through other comprehensive income; or
- amortised cost

The classification depends on the nature and purpose of the financial asset (ie. the Group's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

Financial assets are classified as at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are measured at amortised cost if they are held within a business mode whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost or fair value through other comprehensive income are held at fair value through profit or loss.

Equity investments

In the individual entity financial statements, investments in subsidiaries are recognised at cost, less provision for impairment losses.

A subsidiary is controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at proceeds received net of issue costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or financial liabilities at amortised cost, which are measured using the effective interest method. At present the company does not have any financial liabilities at FVTPL.

Fair values

Fair value is the amounts for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques. The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or a shorter period, on the net carrying amount on initial recognition.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Leases

The Group applies IFRS 16 Leases. Accordingly leases are all accounted for in the same manner:

- A right of use asset and lease liability is recognised on the statement of financial position, initially measured at the present value of future lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities are recognised in the statement of comprehensive income;
- The total amount of cash paid is recognised in the statement of cash flows, split between payments of principal (within financing activities) and interest (also within financing activities).

The initial measurement of the right of use asset and lease liability takes into account the value of lease incentives such as rent free periods.

The costs of leases of low value items and those with a short term at inception (defined as leases with a lease term of 12 months or less) are recognised as incurred.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

Employee benefit costs

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

The cost of any unused holiday entitlement is recognised in the financial period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying value.

Provisions

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

3. REVENUE

Revenue from contracts with customers

The Group generates revenue from the collection, transport, recycling and disposal of commercial and domestic waste all arising in the UK.

	2023 £	2022 £
Rendering of services	21,567,957	17,213,033

Timing of Revenue Recognition:

	2023 £	2022 £
Revenue recognised at a point in time	19,868,540	17,213,033
Revenue recognised over time	1,699,417	-
	<u>21,567,957</u>	<u>17,213,033</u>

The performance obligations from waste management and recycling revenues are satisfied at a point in time which is generally on collection of waste from customers. This relates to the roll on, roll off service, skips, trade waste revenue and revenue from the inbound gate. Invoices are raised on the date the service is completed and usually payable within 30 days. For some customers namely for domestic skip hire, payment would be collected in advance of the service being provided.

The performance obligation from the support provided to the municipal waste collections is satisfied over time as the services are provided. Invoices are usually raised the month the service is provided and payable within 14 days.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

3. REVENUE - continued

Contract balances

	2023	2022
	£	£
Receivables included in "Trade and other receivables"	2,862,471	3,304,217

Contract liabilities

Current

Contract liabilities	282,133	-
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A trade receivable is recognised when the group has issued an invoice and has unconditional right to receive payment. The invoice is typically issued as the performance obligations are satisfied.

Deferred revenue is recognised when payment is received from customers before the respective performance obligation is satisfied.

4. OTHER OPERATING INCOME

	2023	2022
	£	£
Rents received	16,250	-
Sundry receipts	-	117,012
Management fees receivable	56,870	-
	73,120	117,012

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

5. EMPLOYEES AND DIRECTORS

	2023 £	2022 £
Wages and salaries	6,013,984	3,861,805
Social security costs	951,282	395,881
Other pension costs	175,374	91,207
	<u>7,140,640</u>	<u>4,348,893</u>

The average number of employees (including directors) employed by the group and company during the year was:

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Directors	4	4	4	4
Finance and administration	29	39	29	39
Sales	4	7	4	7
Drivers	129	46	129	46
Transfer Yard	35	36	35	36
Workshop	4	5	4	5
	<u>205</u>	<u>137</u>	<u>205</u>	<u>137</u>

	2023 £	2022 £
Directors' remuneration	124,969	113,597
Directors' pension contributions to money purchase schemes	<u>11,741</u>	<u>4,951</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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6. EXCEPTIONAL ITEMS

	2023 £	2022 £
Exceptional Items	<u>205,352</u>	<u>202,903</u>

Exceptional items relate to professional fees for the redevelopment of the Materials Recycling Facility ("MRF"), a project which was subsequently terminated after the balance sheet date.

7. NET FINANCE COSTS

	2023 £	2022 £
Finance income:		
Interest income	<u>654</u>	<u>-</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

7. NET FINANCE COSTS - continued

	2023	2022
	£	£
Finance costs:		
Bank loan interest	150,830	34,379
Other loan interest	9,682	-
Late payment interest	5,555	-
Hire purchase	90,178	64,851
Leasing	110,811	370
	<u>367,056</u>	<u>99,600</u>
Net finance costs	<u>366,402</u>	<u>99,600</u>

Other loan interest represents amounts due to Coventry City Council for the year in respect of 'other loans' outstanding as shown in Note 21.

8. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	749,442	1,431,374
Depreciation - assets on hire purchase contracts	877,242	809,731
Profit on disposal of fixed assets	(121,910)	(18,008)
Auditors remuneration	30,000	25,000
	<u>734,774</u>	<u>1,219,097</u>

9. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	30,000	25,000
	<u>30,000</u>	<u>25,000</u>
Total audit fees	<u>30,000</u>	<u>25,000</u>

10. INCOME TAX

Analysis of tax expense/(income)

	2023	2022
	£	£
Current tax:		
Adjustments in respect of prior periods	-	(509,276)
Deferred tax	214,230	339,411
	<u>214,230</u>	<u>339,411</u>
Total tax expense/(income) in consolidated statement of profit or loss	<u>214,230</u>	<u>(169,865)</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

10. INCOME TAX - continued

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Loss before income tax	(99,621)	(3,426,907)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(18,928)	(651,112)
Effects of:		
Change in unrecognised deferred tax assets	333,797	462,184
Capital allowances in excess of depreciation	(89,360)	(168,930)
Depreciation on assets not qualifying for tax allowance	23,789	20,949
Revenue items capitalised	(8,193)	(75,223)
Effect of change in corporation tax rate	(22,950)	248,275
Other adjustments	(3,925)	(2,497)
Deferred tax adjustment in respect of prior years	-	(3,511)
Tax expense/(income)	<u>214,230</u>	<u>(169,865)</u>

11. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(252,593) (2022 - £3,257,042).

12. DIVIDENDS

	2023 £	2022 £
Ordinary shares of £1 each		
Final	-	500,000

13. IMPAIRMENTS

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Note	2023 £	2022 £
In respect of:			
Property, plant and equipment	14	-	1,129,751
Recognised in:			
Administrative expenses		-	1,129,751

The impairment losses in respect of financial assets are recognised in administrative expenses in the profit and loss account.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
COST			
At 1 April 2022	6,774,753	210,657	7,049,599
Additions	3,476	2,510,152	783,300
Disposals	-	-	(634,000)
At 31 March 2023	<u>6,778,229</u>	<u>2,720,809</u>	<u>7,198,899</u>
DEPRECIATION			
At 1 April 2022	849,041	53,676	3,766,386
Charge for year	117,542	108,010	690,629
Eliminated on disposal	-	-	(407,400)
At 31 March 2023	<u>966,583</u>	<u>161,686</u>	<u>4,049,615</u>
NET BOOK VALUE			
At 31 March 2023	<u>5,811,646</u>	<u>2,559,123</u>	<u>3,149,284</u>
At 31 March 2022	<u>5,925,712</u>	<u>156,981</u>	<u>3,283,213</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2022	537,798	5,035,557	19,608,364
Additions	57,518	916,581	4,271,027
Disposals	-	(82,448)	(716,448)
At 31 March 2023	<u>595,316</u>	<u>5,869,690</u>	<u>23,162,943</u>
DEPRECIATION			
At 1 April 2022	286,706	2,433,430	7,389,239
Charge for year	91,503	619,000	1,626,684
Eliminated on disposal	-	(59,458)	(466,858)
At 31 March 2023	<u>378,209</u>	<u>2,992,972</u>	<u>8,549,065</u>
NET BOOK VALUE			
At 31 March 2023	<u>217,107</u>	<u>2,876,718</u>	<u>14,613,878</u>
At 31 March 2022	<u>251,092</u>	<u>2,602,127</u>	<u>12,219,125</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

14. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
COST			
At 1 April 2022	6,774,753	210,657	7,049,599
Additions	3,476	2,510,152	783,300
Disposals	-	-	(634,000)
At 31 March 2023	<u>6,778,229</u>	<u>2,720,809</u>	<u>7,198,899</u>
DEPRECIATION			
At 1 April 2022	849,041	53,676	3,766,386
Charge for year	117,542	108,010	690,629
Eliminated on disposal	-	-	(407,400)
At 31 March 2023	<u>966,583</u>	<u>161,686</u>	<u>4,049,615</u>
NET BOOK VALUE			
At 31 March 2023	<u>5,811,646</u>	<u>2,559,123</u>	<u>3,149,284</u>
At 31 March 2022	<u>5,925,712</u>	<u>156,981</u>	<u>3,283,213</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2022	537,798	5,035,557	19,608,364
Additions	57,518	916,581	4,271,027
Disposals	-	(82,448)	(716,448)
At 31 March 2023	<u>595,316</u>	<u>5,869,690</u>	<u>23,162,943</u>
DEPRECIATION			
At 1 April 2022	286,706	2,433,430	7,389,239
Charge for year	91,503	619,000	1,626,684
Eliminated on disposal	-	(59,458)	(466,858)
At 31 March 2023	<u>378,209</u>	<u>2,992,972</u>	<u>8,549,065</u>
NET BOOK VALUE			
At 31 March 2023	<u>217,107</u>	<u>2,876,718</u>	<u>14,613,878</u>
At 31 March 2022	<u>251,092</u>	<u>2,602,127</u>	<u>12,219,125</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

15. INVESTMENTS

Company

	Shares in group undertaking £
COST	
At 1 April 2022 and 31 March 2023	101
NET BOOK VALUE	
At 31 March 2023	<u>101</u>
At 31 March 2022	<u>101</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

A&M Metals & Waste Limited

Registered office: Unit 13a Stonebrook Way Longford Coventry West Midlands CV6 6LN
Nature of business: Waste management and recycling

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.3.23	31.3.22
		£	£
Aggregate capital and reserves		<u>19,395</u>	<u>80,652</u>

Tom White Waste (LACO) Limited

Registered office: Unit 13a Stonebrook Way Longford Coventry West Midlands CV6 6LN
Nature of business: Waste management and recycling

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.3.23	31.3.22
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade debtors	2,862,471	3,304,217	2,755,564	3,082,016
Amounts owed by group undertakings	-	-	1,599,482	1,482,219
Other debtors	92,203	113,322	92,203	10,723
Prepayments and accrued income	395,757	338,991	395,757	338,991
	<u>3,350,431</u>	<u>3,756,530</u>	<u>4,843,006</u>	<u>4,913,949</u>

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Cash in hand	199	552	199	552
Bank accounts	472,627	470,818	472,139	470,292
	<u>472,826</u>	<u>471,370</u>	<u>472,338</u>	<u>470,844</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2023	2022
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

19. RESERVES

Group

	Retained earnings £
At 1 April 2022	3,357,933
Deficit for the year	(313,851)
At 31 March 2023	3,044,082

Company

	Retained earnings £
At 1 April 2022	3,277,380
Deficit for the year	(252,593)
At 31 March 2023	3,024,787

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade creditors	2,420,241	3,669,295	2,420,242	3,669,297
Amounts owed to group undertakings	503,880	500,002	2,135,565	1,857,750
Social security and other taxes	748,009	544,923	627,806	424,720
Other creditors	109,506	-	109,506	-
Accruals and deferred income	1,113,412	1,287,620	1,113,412	1,287,620
	4,895,048	6,001,840	6,406,531	7,239,387

21. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current:				
Bank overdrafts	-	14	-	14
Bank loans	300,840	216,624	300,840	216,624
Leases (see note 22)	1,116,985	1,020,090	1,116,985	1,020,090
	1,417,825	1,236,728	1,417,825	1,236,728

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

21. FINANCIAL LIABILITIES - BORROWINGS - continued

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-current:				
Bank loans - 1-2 years	2,931,265	3,087,039	2,931,265	3,087,039
Other loans - 1-2 years	533,000	-	533,000	-
Leases (see note 22)	4,594,247	2,088,838	4,594,247	2,088,838
	<u>8,058,512</u>	<u>5,175,877</u>	<u>8,058,512</u>	<u>5,175,877</u>

Terms and debt repayment schedule

Group

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	300,840	300,840	902,520	1,727,905	3,232,105
Other loans	-	-	533,000	-	533,000
Leases	1,116,985	969,201	2,067,003	1,558,043	5,711,232
	<u>1,417,825</u>	<u>1,270,041</u>	<u>3,502,523</u>	<u>3,285,948</u>	<u>9,476,337</u>

Company

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	300,840	300,840	902,520	1,727,905	3,232,105
Other loans	-	-	533,000	-	533,000
Leases	1,116,985	969,201	2,067,003	1,558,043	5,711,232
	<u>1,417,825</u>	<u>1,270,041</u>	<u>3,502,523</u>	<u>3,285,948</u>	<u>9,476,337</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

21. FINANCIAL LIABILITIES - BORROWINGS - continued

Bank loans and overdrafts

Bank loan is repaid in monthly instalments until March 2035 after which time the amount outstanding will be repayable in full. Interest on the loan is charged at 2.25% per annum above the Bank of England base rate.

Other loans

Other loans represents amount payable to Coventry City Council under a loan facility agreement dated 15th December 2022 for the redevelopment of the Materials Recycling Facility ("MRF") which was subsequently terminated after the balance sheet date. Under the terms of the agreement interest rate on the loan is 6.50% per annum, however, the repayment term varied depending on the drawdown from the facility. Following termination of the project, the loan term was revised to three years. The loan is secured against plant and equipment of the company under a charge dated 21st December 2016.

Secured debts:

Bank loans and overdraft are secured by the following:

- A mortgage debenture, dated 21/01/1991, over the assets of the company.
- A first legal mortgage, dated 21/08/2013, over 1 Coronel Avenue, Rowleys Green, Coventry.
- A first legal mortgage, dated 30/03/2015, over 75 Longford Road, Coventry.
- A first legal mortgage, dated 21/12/2016, over Unit 13A, Stonebrook Way, Longford, Coventry.
- A first legal mortgage, dated 28/07/1998, over land ex Grimley Haulage Depot, Off Stonebrook Way, Longford, Coventry vesting in the company name.
- Guarantee given by company Tom White Waste Limited, Waste Masters Hire Limited dated 17/11/2017.
- Collateral warranties relating to a project at 75 Longford Road, Coventry.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

22. LEASING

Group

Right-of-use assets

Property, plant and equipment

	2023 £	2022 £
COST		
At 1 April 2022	5,519,026	3,118,081
Additions	3,918,713	2,400,945
Disposals	(309,000)	-
Transfer to ownership	(79,295)	-
	<u>9,049,444</u>	<u>5,519,026</u>
DEPRECIATION		
At 1 April 2022	1,807,767	998,036
Charge for year	877,242	809,731
Eliminated on disposal	(82,400)	-
Transfer to ownership	(41,866)	-
	<u>2,560,743</u>	<u>1,807,767</u>
NET BOOK VALUE	<u>6,488,701</u>	<u>3,711,259</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

Company

Right-of-use assets

Property, plant and equipment

	2023 £	2022 £
COST		
At 1 April 2022	5,519,026	3,118,081
Additions	3,918,713	2,400,945
Disposals	(309,000)	-
Transfer to ownership	(79,295)	-
	<u>9,049,444</u>	<u>5,519,026</u>
DEPRECIATION		
At 1 April 2022	1,807,767	998,036
Charge for year	877,242	809,731
Eliminated on disposal	(82,400)	-
Transfer to ownership	(41,866)	-
	<u>2,560,743</u>	<u>1,807,767</u>
NET BOOK VALUE	<u><u>6,488,701</u></u>	<u><u>3,711,259</u></u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

22. LEASING - continued

**Group
Lease liabilities**

Minimum lease payments fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	1,396,209	1,090,081
Between one and five years	3,881,151	2,277,097
In more than five years	1,850,162	-
	<u>7,127,522</u>	<u>3,367,178</u>
Finance charges repayable:		
Within one year	279,224	69,991
Between one and five years	844,947	188,259
In more than five years	292,119	-
	<u>1,416,290</u>	<u>258,250</u>
Net obligations repayable:		
Within one year	1,116,985	1,020,090
Between one and five years	3,036,204	2,088,838
In more than five years	1,558,043	-
	<u>5,711,232</u>	<u>3,108,928</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

22. LEASING - continued

Group

The Group leases land and buildings, plant and machinery and motor vehicles. All leases are on fixed repayments terms with no arrangements being entered into for contingent rental payments.

In July 2022, the Group entered into a ten year lease agreement with a third party for open storage and ancillary site offices for annual minimum lease payments of £353,000. The lease liability is recognised in the financial statements at the present value of future minimum lease payments at 31 March 2023.

In February 2023, the Group entered into a five year sub-lease agreement with a third party for part of the open storage site for annual rental income of £65,000. The Group has classified the lease by reference to the right-of-use asset arising from the head lease and the sub-lease as lease income. During the term of the sub lease, the Group retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position, recognising depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sub lease. The leases include restrictions on the use of asset.

Plant and machinery and motor vehicles include non-cancellable leases with terms ranging usually between one to five years. In some cases, the Group has entered into lease agreements ending in more than five years.

The average rate applied to measure lease liabilities during the year was 3.75% per annum (2022: 3% per annum).

During the year, the Group entered into a short term lease agreement where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2023, total undiscounted lease payments due under this agreement is £8,334 (2022: £Nil).

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

22. LEASING - continued

**Company
Lease liabilities**

Minimum lease payments fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	1,396,209	1,090,081
Between one and five years	3,881,151	2,277,097
In more than five years	1,850,162	-
	7,127,522	3,367,178
 Finance charges repayable:		
Within one year	279,224	69,991
Between one and five years	844,947	188,259
In more than five years	292,119	-
	1,416,290	258,250
 Net obligations repayable:		
Within one year	1,116,985	1,020,090
Between one and five years	3,036,204	2,088,838
In more than five years	1,558,043	-
	5,711,232	3,108,928

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

22. LEASING - continued

Company

The company leases land and buildings, plant and machinery and motor vehicles. All leases are on fixed repayments terms with no arrangements being entered into for contingent rental payments.

In July 2022, the company entered into a ten year lease agreement with a third party for open storage and ancillary site offices for annual minimum lease payments of £353,000. The lease liability is recognised in the financial statements at the present value of future minimum lease payments at 31 March 2023.

In February 2023, the company entered into a five year sub-lease agreement with a third party for part of the open storage site for annual rental income of £65,000. The company has classified the lease by reference to the right-of-use asset arising from the head lease and the sub-lease as lease income. During the term of the sub lease, the company retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position, recognising depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sub lease. The leases include restrictions on the use of asset.

Plant and machinery and motor vehicles include non-cancellable leases with terms ranging usually between one to five years. In some cases, the company has entered into lease agreements ending in more than five years.

The average rate applied to measure lease liabilities during the year was 3.75% per annum (2022: 3% per annum).

During the year, the company entered into a short term lease agreement where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2023, total undiscounted lease payments due under this agreement is £8,334 (2022: £Nil).

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

23. FINANCIAL INSTRUMENTS

The Group holds or issues financial instruments to finance its operations and enter contracts with customers and suppliers to manage risks arising from its operations and its sources of finance in accordance with the Group's accounting policies. The Group's financial instruments comprise trade and other receivables, amounts due from group undertakings, trade and other creditors and amounts due to group undertakings all of which arise directly from the operations of the Group. Cash is held with reputable financial institutions to minimise credit risk.

The Group's operations are financed by various sources which include finance leases, long term loans and retained earnings. Working capital requirements are principally funded out of retained earnings, however, during the year, the Group was granted an approved loan facility of £22.7m by Coventry City Council for the purpose of improving the Material Recycling Facility ("MRF"), a project which was subsequently terminated after the balance sheet date, with only £0.5m drawn down for development of the project.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

The group's main credit risk arises from trade receivables, being amounts owed by customers. The group offers credit terms to customers which are typically 30 days from invoice date.

The group monitors their trade receivables and trade payables on a regular basis to understand any pressures and assess the uncertainty in relation to receipts and payments. The Finance team are in regular contact with customers and suppliers to ensure that the group's financial liabilities can be met. The group has resources to manage its aged debtors and escalate any concerns as necessary. The Board of Directors have oversight in relation to the group's debtors and creditors position as part of the monthly board packs.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The following table shows a maturity analysis of the group's trade receivables:

	2023	2022
	£	£
1 - 30 days	1,667,126	1,625,955
31 - 60 days	563,340	1,148,832
61 - 90 days	261,430	225,616
91 - 120 days	370,575	303,814
	<u>2,862,471</u>	<u>3,304,217</u>

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group aims to maintain sufficient levels of cash and cash equivalents to meet its obligations as they fall due. At 31 March 2023 that group had cash and cash equivalents of £472,826 (2022: £471,370).

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

A weekly cashflow is shared with the Board of Directors to highlight the financial impact of operational performance and to inform management of any action that maybe required. The group has a risk register in place to limit the adverse effect of the financial performance of the group by monitoring levels of debt and related finance costs.

Trade and other payables:

The group monitors the level of expected cash inflows on trade and other receivables together with expected outflows on trade and other payables. At 31 March 2023, the expected inflows from trade debtors within 30 days was £1,667,126 and the expected outflows from trade creditors within 30 days was £1,283,173. The group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows

The following table shows a maturity analysis of the group's trade payables:

	2023	2022
	£	£
1 - 30 days	1,283,173	1,188,996
31 - 60 days	777,579	918,578
61 - 90 days	123,855	344,488
91 - 120 days	235,634	1,217,233
	<u>2,420,241</u>	<u>3,669,295</u>

Exposure to liquidity risk

The following tables show the group's remaining contractual maturities of cash outflows of financial liabilities at the reporting date. The amounts are net and undiscounted, and do not include contractual interest payments and exclude the impact of netting agreements.

2023	Total £	1 year or	1-2 years £	2-5 years £	More than 5
		less £			years £
Lease liabilities	5,711,232	1,116,985	969,201	2,067,003	1,558,043
Bank loans and overdrafts	3,232,105	300,840	300,840	902,520	1,727,905
Other loans	533,000	-	-	533,000	-
	<u>9,476,337</u>	<u>1,417,825</u>	<u>1,270,041</u>	<u>3,502,523</u>	<u>3,285,948</u>

2022	Total £	1 year or	1-2 years £	2-5 years £	More than 5
		less £			years £
Lease liabilities	3,108,928	1,020,090	657,071	1,431,767	-
Bank loans and overdrafts	3,303,677	216,638	216,624	649,872	2,220,543
Other loans	-	-	-	-	-
	<u>6,412,605</u>	<u>1,236,728</u>	<u>873,695</u>	<u>2,081,639</u>	<u>2,220,543</u>

The group continues to meet its obligations in respect of its financial borrowings. Management and directors have regular meetings with their lenders and providers of capital asset financing. Cash flows in the maturity analysis are not expected to occur significantly earlier than contractually disclosed above.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

Market risk

Market risk is the risk that changes in market prices will affect the group's income and expenditure or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

Exposure to Interest rate risk

The group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the group to interest rate risk. Borrowings obtained at fixed rates expose the group to fair value risk

Interest on bank loans is charged at 2.25% per annum above the Bank of England base rate of interest.

Interest on other loans is charged at 6.50% per annum. Other loans represent amounts payable to Coventry City Council under the terms of the approved loan facility agreement dated 15 December 2022 for the redevelopment of the Materials Recycling Facility ("MRF"), a project which was subsequently terminated after the balance sheet date.

At 31 March 2023 the Bank of England base rate was 4.25% compared to 0.75% at the previous reporting date. During the current financial year, there has been a series of further interest rate rises by the Bank of England. This is closely monitored by management and directors to ensure the group continues to meet its financial obligations for the foreseeable future. The directors will consider the impact of proposed changes in interest rate at each board meeting to assess the impact this will have on the available cash reserves to meet debt servicing costs alongside the impact on the forecast profits and consider the options available to best manage this.

Sensitivity Analysis: Other loans and Secured Bank Loans

The following table shows a sensitivity analysis of how profit and loss would have been affected by changes in the interest rate on variable-rate instruments at the reporting date.

	Profit or Loss £	Equity £
Bank of England base rate at 6.0%	(120,185)	(203,003)
Bank of England base rate at 8.0%	(184,827)	(267,645)

24. DEFERRED TAX

Group

	2023 £	2022 £
Balance at 1 April	1,034,481	695,070
Charge to profit or loss	214,230	91,136
Effect of change in tax rate	-	248,275
Balance at 31 March	<u>1,248,711</u>	<u>1,034,481</u>

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

24. DEFERRED TAX - continued

Company	2023	2022
	£	£
Balance at 1 April	1,034,481	695,070
Charge to profit or loss	214,230	91,136
Effect of change in tax rate	-	248,275
	<hr/>	<hr/>
Balance at 31 March	<u>1,248,711</u>	<u>1,034,481</u>

From 17 March 2020 the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, the UK corporation tax rate increased to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. As a result, deferred tax has been calculated at a rate of 25%.

The company has taxable trading losses available for offset against future taxable trading profits of approximately £3.3m at 31 March 2023. A deferred tax asset in respect of these losses of £0.8m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

25. PENSION COMMITMENTS

The company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of profit or loss and other comprehensive income of £175,373 (2022: £91,207) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2023 contributions of £25,709 (2022: £10,126) due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

26. RELATED PARTY DISCLOSURES

Receivables from and payables to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Entities with common control:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Current assets:				
Amounts owed by group undertakings	-	-	1,599,482	1,482,219
Current liabilities:				
Amounts due to group undertakings	-	-	1,631,685	1,357,750

Coventry City Council:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Current assets:				
Trade debtors	245,612	644,957	245,612	644,957
Current liabilities:				
Amounts owed by group undertakings	503,880	500,000	503,880	500,000
Trade creditors	663,519	887,134	663,519	887,134
Accruals	800,000	680,000	800,000	680,000

Loans to and from related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Coventry City Council:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Non-current liabilities				
Other loans	533,000	-	533,000	-

Transactions with related parties

The following transactions occurred with related parties during the year:

Entities with common control:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Income				
Management fees	-	-	2,701,678	338,772

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023**

Coventry City Council:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Income				
Sales	2,701,678	338,772	-	-
Expenditure				
Management charge	72,323	-	72,323	-
Interest payable on other loans(see note 7)	9,682	-	9,682	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

27. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, the directors performed a detailed review of its plans to improve the Material Recycling Facility ("MRF"). It concluded that it was no longer a viable project and therefore made the decision not to proceed with its implementation.

28. ULTIMATE CONTROLLING PARTY

The immediate parent company is Coventry Municipal Holdings Limited whose registered office address is Council House, Coventry, CV1 5RR. The consolidated financial statements of Tom White Waste Limited are incorporated in the consolidated financial statements of Coventry Municipal Holdings Limited which are available from its address.

The ultimate parent company and ultimate controlling party of Tom White Waste Limited is Coventry City Council whose registered office address is Coventry City Council, Council House, Coventry, CV1 5RR. The consolidated financial statements of the group are available from this address.

29. FIRST YEAR ADOPTION

These are the Group's first financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the UK. The last financial statements prepared under FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" was for the year ended 31 March 2022. The date of transition to IFRS was 1 April 2021. Changes arising from this transition relate to the right-of-use assets and corresponding lease liability obligations in accordance with IFRS 16 Leases.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**RECONCILIATION OF EQUITY
1 April 2021
(DATE OF TRANSITION TO IFRSS)**

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12,033,144	-	12,033,144
CURRENT ASSETS			
Trade and other receivables	3,146,979	-	3,146,979
Cash and cash equivalents	362,839	-	362,839
	<u>3,509,818</u>	-	<u>3,509,818</u>
TOTAL ASSETS	<u>15,542,962</u>	-	<u>15,542,962</u>
SHAREHOLDERS' EQUITY			
Called up share capital	100	-	100
Retained earnings	7,114,975	-	7,114,975
	<u>7,115,075</u>	-	<u>7,115,075</u>
TOTAL EQUITY	<u>7,115,075</u>	-	<u>7,115,075</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	23,572	-	23,572
Financial liabilities - borrowings			
Interest bearing loans and borrowings	3,439,973	-	3,439,973
Deferred tax	695,070	-	695,070
	<u>4,158,615</u>	-	<u>4,158,615</u>
CURRENT LIABILITIES			
Trade and other payables	2,272,461	-	2,272,461
Financial liabilities - borrowings			
Bank overdrafts	14	-	14
Interest bearing loans and borrowings	1,043,337	-	1,043,337
Tax payable	953,460	-	953,460
	<u>4,269,272</u>	-	<u>4,269,272</u>
TOTAL LIABILITIES	<u>8,427,887</u>	-	<u>8,427,887</u>
TOTAL EQUITY AND LIABILITIES	<u>15,542,962</u>	-	<u>15,542,962</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

RECONCILIATION OF EQUITY - continued
31 March 2022

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12,162,928	56,197	12,219,125
CURRENT ASSETS			
Trade and other receivables	3,756,530	-	3,756,530
Tax receivable	509,276	-	509,276
Cash and cash equivalents	471,370	-	471,370
	4,737,176	3,625,213	4,737,176
TOTAL ASSETS	16,900,104	3,681,410	16,956,301
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	100	-	100
Retained earnings	3,344,795	13,138	3,357,933
	3,344,895	13,138	3,358,033
TOTAL EQUITY	3,344,895	13,138	3,358,033
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	5,148,066	27,811	5,175,877
Deferred tax	1,034,481	-	1,034,481
	6,182,547	27,811	6,210,358
CURRENT LIABILITIES			
Trade and other payables	6,001,841	(1)	6,001,840
Financial liabilities - borrowings			
Bank overdrafts	14	-	14
Interest bearing loans and borrowings	1,221,465	15,249	1,236,714
Tax payable	149,342	-	149,342
	7,372,662	15,248	7,387,910
TOTAL LIABILITIES	13,555,209	43,059	13,598,268
TOTAL EQUITY AND LIABILITIES	16,900,104	56,197	16,956,301

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**RECONCILIATION OF LOSS
for the year ended 31 March 2022**

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
Revenue	17,213,033	-	17,213,033
Cost of sales	(13,242,194)	-	(13,242,194)
GROSS PROFIT	3,970,839	-	3,970,839
Other operating income	117,012	-	117,012
Administrative expenses	(7,428,666)	13,508	(7,415,158)
Finance costs	(99,230)	(370)	(99,600)
LOSS BEFORE TAX	(3,440,045)	13,138	(3,426,907)
Income tax	169,865	-	169,865
LOSS FOR THE YEAR	(3,270,180)	13,138	(3,257,042)
Loss attributable to: Owners of the parent	(3,270,180)	13,138	(3,257,042)

The notes form part of these financial statements