

Company registration number 12207525 (England and Wales)

**LANCASHIRE WASTE RECYCLING (HOLDINGS)
LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

COMPANY INFORMATION

Director	Mr J P Entwisle
Company number	12207525
Registered office	Rees House Burn Hall Industrial Estate Venture Road Fleetwood FY7 8RS
Auditor	MHA Moore and Smalley Fylde House Skyways Commercial Campus Amy Johnson Way Blackpool FY4 3RS

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

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LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The director presents the strategic report for the year ended 28 February 2022.

Strategy and Business Model

The group specialises in producing alternative fuels from waste that cannot be recycled. Our primary operation involves supplying a Solid Recovered Fuel (SRF) to three of the UK's cement kilns as a replacement to burning fossil fuels, which in turn reduces CO2 emissions.

Our objectives are to work with our customers to develop new types of alternative fuels to allow them to increase the amount they can use and thus reduce their demand for fossil fuels. Our current SRF contains approximately 45% biomass, which is something we are aiming to increase as the demand for this grows and the pressure to reduce CO2 emissions rises. A further objective is to explore the possibility of developing other alternative fuels, to generate electrical and thermal energy from small-scale gasification installations, including one that can be burnt in redundant coal-fired power stations to generate electricity. We are working with our UK cement kiln customers to develop a main burner fuel for use in other parts of their system, which will be more refined than the SRF that we currently produce. Once developed, the demand for this will be considerable.

Fair review of the business

The turnover of the all the companies in the group for the full year of 2021-2022 has collectively decreased slightly. Largely due to the delay in main off-takers increasing their demand for SRF due to various issues decreasing material in and increasing by product material. The group continued to invest in new equipment and technology to improve the quality of the final SRF material and reduce by product. Lancashire Waste Management Ltd continue to support the transportation .

The demand for SRF in the UK is expected to continue as pressure to reduce fossil fuel consumption and reduce CO2 emissions is still prevalent

Principal risks and uncertainties

The director has identified the following principal risks and uncertainties affecting the Group:

- The Groups main risk is that the majority of offtake material is sent to two cement kilns, therefore if they have any downtime for maintenance or repairs outlets to send SRF are limited. LWR and Envirofuel are in talks with other potential UK customers looking to supply them with a main burner type fuel, also a baled export option which will help mitigate this risk. As part of this, LWR and Envirofuel are continuing to develop other processes and alternative fuel options that will open up opportunities to supply other markets.

Development and performance

The companies of the Group have continued to expand in this financial year. Demand for SRF in the UK has allowed all areas of the business to maintain its position. With a clear focus on the business' objectives and a consistent approach headed by the sole director, the Group is continuing to be successful.

Future Developments

Following the year end the group has continued to trade well. The group has invested more into all sites for continued improvement to the final material. The Group is currently operating efficiently through the increasing pressure from the current economic climate with increased Energy and Fuel costs. Despite this the Director is of the opinion that the Group will continue to maintain its trading position and grow. The Group companies will continue to grow with adequate profitability as demand for SRF and other alternative fuels continues to increase. All profits are reinvested back into the business to enable its continuing growth.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

Key Performance Indicators

The companies of the group monitor their performance using a number of measures, as follows:

Measure (in tonnes)	2022	2021
Amount of waste processed	211,083	206,547
Output of SRF (UK)	91,712	93,600
Output of SRF (Europe)	0	0
Output of by-products	97,459	106,910

On behalf of the board

Mr J P Entwisle
Director

30 November 2022

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The director presents his annual report and financial statements for the year ended 28 February 2022.

Principal activities

The principal activity of the company and group is that of recycling and waste management.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr J P Entwisle

Auditor

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr J P Entwisle
Director

30 November 2022

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2022

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

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

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Lancashire Waste Recycling (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 February 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters in relation to which 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 director

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing 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 director either intends to liquidate the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management around actual and potential litigation and claims.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations, including ISO 9001, ISO 14001 and ISO 18001.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements:

Health & Safety; employment law; and EPR Compliance for the Environment Agency.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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

Use of our report

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

Virginia Cooper (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Fylde House
Skyways Commercial Campus
Amy Johnson Way
Blackpool
FY4 3RS

30 November 2022

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	2021 £
Turnover	3	20,117,080	23,685,675
Cost of sales		(15,812,281)	(18,458,081)
Gross profit		<u>4,304,799</u>	<u>5,227,594</u>
Administrative expenses		(2,356,646)	(2,167,418)
Other operating income		181,990	66,218
Operating profit	4	<u>2,130,143</u>	<u>3,126,394</u>
Interest payable and similar expenses	7	(516,838)	(432,770)
Profit before taxation		<u>1,613,305</u>	<u>2,693,624</u>
Tax on profit	8	(395,385)	(529,280)
Profit for the financial year		<u><u>1,217,920</u></u>	<u><u>2,164,344</u></u>

Profit for the financial year is all attributable to the owner of the parent company.

Total comprehensive income for the year is all attributable to the owner of the parent company.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

GROUP BALANCE SHEET

AS AT 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		10,836,754		10,328,246
Current assets					
Stocks	12	121,300		43,109	
Debtors	13	5,160,179		4,154,912	
Cash at bank and in hand		87,920		367,546	
		<u>5,369,399</u>		<u>4,565,567</u>	
Creditors: amounts falling due within one year	14	<u>(6,873,957)</u>		<u>(6,171,982)</u>	
Net current liabilities			<u>(1,504,558)</u>		<u>(1,606,415)</u>
Total assets less current liabilities			9,332,196		8,721,831
Creditors: amounts falling due after more than one year	15		(4,138,894)		(5,238,204)
Provisions for liabilities					
Deferred tax liability	18	<u>941,749</u>	<u>(941,749)</u>	<u>449,994</u>	<u>(449,994)</u>
Net assets			<u>4,251,553</u>		<u>3,033,633</u>
Capital and reserves					
Called up share capital	20		300		300
Profit and loss reserves			<u>4,251,253</u>		<u>3,033,333</u>
Total equity			<u>4,251,553</u>		<u>3,033,633</u>

The financial statements were approved and signed by the director and authorised for issue on 30 November 2022

Mr J P Entwisle
Director

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

AS AT 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	10		300		300
			==		==
Capital and reserves					
Called up share capital	20		300		300
			==		==

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2021 - £0 profit).

The financial statements were approved and signed by the director and authorised for issue on 30 November 2022

Mr J P Entwisle
Director

Company Registration No. 12207525

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED**GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 28 FEBRUARY 2022**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 29 February 2020	300	868,989	869,289
Year ended 28 February 2021:			
Profit and total comprehensive income for the year	-	2,164,344	2,164,344
Balance at 28 February 2021	300	3,033,333	3,033,633
Year ended 28 February 2022:			
Profit and total comprehensive income for the year	-	1,217,920	1,217,920
Balance at 28 February 2022	300	4,251,253	4,251,553

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Share capital
	£
Balance at 29 February 2020	300
Year ended 28 February 2021:	
Profit and total comprehensive income for the year	-
Balance at 28 February 2021	300
Year ended 28 February 2022:	
Profit and total comprehensive income for the year	-
Balance at 28 February 2022	300

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	23	2,583,684		2,445,909	
Interest paid		(516,838)		(432,770)	
Income taxes paid		(225,295)		(68,794)	
Net cash inflow from operating activities		1,841,551		1,944,345	
Investing activities					
Purchase of tangible fixed assets		(1,062,610)		(1,307,361)	
Proceeds on disposal of tangible fixed assets		783,581		187,250	
Net cash used in investing activities		(279,029)		(1,120,111)	
Financing activities					
Proceeds from borrowings		-		499,391	
Proceeds of new bank loans		350,000		400,000	
Repayment of bank loans		(285,262)		(196,451)	
Payment of finance leases obligations		(1,906,886)		(1,219,873)	
Net cash used in financing activities		(1,842,148)		(516,933)	
Net (decrease)/increase in cash and cash equivalents		(279,626)		307,301	
Cash and cash equivalents at beginning of year		367,546		60,245	
Cash and cash equivalents at end of year		87,920		367,546	

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

Company information

Lancashire Waste Recycling (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Rees House, Burn Hall Industrial Estate, Venture Road, Fleetwood, FY7 8RS.

The group consists of Lancashire Waste Recycling (Holdings) Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Lancashire Waste Recycling (Holdings) Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 28 February 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

The director has reviewed profit and loss and cashflow forecasts for a period of at least 12 months from the accounts signing date which demonstrates that the group and company can meet its debts as they fall due and will continue in operational existence for the foreseeable future.

Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line/no depreciation
Leasehold land and buildings	2% straight line
Plant and equipment	20% reducing balance
Motor vehicles	25% reducing balance

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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity 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.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

There are no other financial assets in the group.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

There are no other financial liabilities in the group.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

(Continued)

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

In determining the appropriate depreciation rates for the group's assets, management reviews the operating policies of the business and makes judgements as to the applicable useful economic lives of the assets, considering residual values.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Production of SRF from waste	19,874,755	23,242,850
Waste transport income	432	42,783
Energy production	143,333	386,892
Sale of spares	98,560	13,150
	<u>20,117,080</u>	<u>23,685,675</u>
	2022 £	2021 £
Other revenue		
Grants received	<u>181,990</u>	<u>66,218</u>

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(181,990)	(66,218)
Depreciation of owned tangible fixed assets	657,766	498,222
Depreciation of tangible fixed assets held under finance leases	846,038	792,870
Profit on disposal of tangible fixed assets	(113,906)	(38,441)
Operating lease charges	48,000	48,654
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,500	2,500
Audit of the financial statements of the company's subsidiaries	14,500	13,500
	<u> </u>	<u> </u>
	17,000	16,000
	<u> </u>	<u> </u>

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Admin	9	9	-	-
Operatives	30	27	-	-
Drivers	19	17	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	58	53	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,949,861	1,745,696	-	-
Social security costs	198,164	161,414	-	-
Pension costs	48,374	80,367	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,196,399	1,987,477	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	157,963	136,893
Interest on finance leases and hire purchase contracts	358,299	295,877
Other interest	576	-
	<u>516,838</u>	<u>432,770</u>
Total finance costs	<u>516,838</u>	<u>432,770</u>

8 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	-	242,281
Adjustments in respect of prior periods	(19,107)	-
	<u>(19,107)</u>	<u>242,281</u>
Total current tax	<u>(19,107)</u>	<u>242,281</u>
Deferred tax		
Origination and reversal of timing differences	414,492	286,999
	<u>414,492</u>	<u>286,999</u>
Total tax charge	<u>395,385</u>	<u>529,280</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	<u>1,613,305</u>	<u>2,693,624</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	306,528	511,789
Tax effect of expenses that are not deductible in determining taxable profit	1,510	19,075
Tax effect of income not taxable in determining taxable profit	(96,110)	(2,297)
Change in unrecognised deferred tax assets	-	(7,826)
Adjustments in respect of prior years	(16,410)	(7,560)
Depreciation on assets not qualifying for tax allowances	17,846	-
Change in deferred tax rate	182,021	16,099
	<u>395,385</u>	<u>529,280</u>
Taxation charge	<u>395,385</u>	<u>529,280</u>

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

9 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 March 2021	3,663,910	1,018,932	10,181,780	677,338	15,541,960
Additions	118,713	440,617	2,104,315	18,342	2,681,987
Disposals	-	-	(1,323,544)	(40,609)	(1,364,153)
At 28 February 2022	3,782,623	1,459,549	10,962,551	655,071	16,859,794
Depreciation and impairment					
At 1 March 2021	494,103	51,817	4,141,673	526,121	5,213,714
Depreciation charged in the year	58,566	22,001	1,385,990	37,247	1,503,804
Eliminated in respect of disposals	-	-	(680,799)	(13,679)	(694,478)
At 28 February 2022	552,669	73,818	4,846,864	549,689	6,023,040
Carrying amount					
At 28 February 2022	3,229,954	1,385,731	6,115,687	105,382	10,836,754
At 28 February 2021	3,169,807	967,115	6,040,107	151,217	10,328,246

The company had no tangible fixed assets at 28 February 2022 or 28 February 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and equipment	4,158,390	4,360,346	-	-
Motor vehicles	-	57,853	-	-
	4,158,390	4,418,199	-	-

10 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	11	-	-	300	300

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

10 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
Cost or valuation	
At 1 March 2021 and 28 February 2022	300
Carrying amount	
At 28 February 2022	300
At 28 February 2021	300

11 Subsidiaries

Details of the company's subsidiaries at 28 February 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Lancashire Waste Recycling Limited	Rees House, Burn Hall Industrial Estate, Venture Road, Fleetwood, Lancs, FY7 8RS	Ordinary	100.00	-
Envirofuel (SRF) Limited	As above	Ordinary	0	100.00
Lancashire Waste Management Limited	As above	Ordinary	100.00	-
Renergy (North West) Limited	Aberdeen Cottage, Tongues Lane, Preesall, Poulton-Le-Fylde, Lancs, FY6 0HL	Ordinary	100.00	-

Each of the above subsidiaries have been included within the consolidation.

12 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	121,300	43,109	-	-

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

13 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	2,767,584	2,671,374	-	-
Corporation tax recoverable	2,697	-	-	-
Other debtors	2,126,500	1,244,348	-	-
Prepayments and accrued income	80,075	133,130	-	-
	<u>4,976,856</u>	<u>4,048,852</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 18)	129,426	-	-	-
	<u>5,106,282</u>	<u>4,048,852</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 18)	53,897	106,060	-	-
	<u>53,897</u>	<u>106,060</u>	<u>-</u>	<u>-</u>
Total debtors	<u>5,160,179</u>	<u>4,154,912</u>	<u>-</u>	<u>-</u>

14 Creditors: amounts falling due within one year

		Group 2022 £	2021 £	Company 2022 £	2021 £
	Notes				
Bank loans	16	2,122,202	968,643	-	-
Obligations under finance leases	17	1,208,414	1,529,791	-	-
Trade creditors		2,422,341	2,462,968	-	-
Corporation tax payable		576	242,281	-	-
Other taxation and social security		312,064	358,019	-	-
Other creditors		45,269	29,239	-	-
Accruals and deferred income		763,091	581,041	-	-
		<u>6,873,957</u>	<u>6,171,982</u>	<u>-</u>	<u>-</u>

Included within bank loans is a loan of £1,228,756 (2021: £1,266,234) that is due to be repaid in less than 12 months. This bank loan was repaid after the year end and replaced with a loan for £1,500,000. The new loan has interest chargeable at 2.75% over base rate and the will be paid by regular monthly installments for a period of 15 years.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

15 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	16	547,122	1,635,943	-	-
Obligations under finance leases	17	1,990,526	1,956,658	-	-
Other creditors		1,601,246	1,645,603	-	-
		<u>4,138,894</u>	<u>5,238,204</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	-	711,398	-	-
	<u>-</u>	<u>711,398</u>	<u>-</u>	<u>-</u>

16 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	2,669,324	2,604,586	-	-
	<u>2,669,324</u>	<u>2,604,586</u>	<u>-</u>	<u>-</u>
Payable within one year	2,122,202	968,643	-	-
Payable after one year	547,122	1,635,943	-	-
	<u>2,669,324</u>	<u>4,603,172</u>	<u>-</u>	<u>-</u>

The long-term loans are secured by fixed and floating charges over the assets of the group. One of the bank loans of the group is further secured by a personal guarantee from the director up to the sum of £480,000. Hire purchases within the group are secured against the assets to which they relate.

17 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	1,208,414	1,529,791	-	-
In two to five years	1,990,526	1,956,658	-	-
	<u>3,198,940</u>	<u>3,486,449</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Group				
Accelerated capital allowances	941,525	449,968	-	-
Tax losses	-	-	183,323	106,060
Retirement benefit obligations	224	26	-	-
	<u>941,749</u>	<u>449,994</u>	<u>183,323</u>	<u>106,060</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 March 2021	343,934	-
Charge to profit or loss	233,038	-
Effect of change in tax rate - profit or loss	181,454	-
	<u>758,426</u>	<u>-</u>
Liability at 28 February 2022		

The deferred tax asset set out above relates to the utilisation of tax losses against future expected profits of the same period. Of the deferred tax asset, £18,780 is expected to reverse within 12 months. £12,429 of the deferred tax asset relates to pre-acquisition losses in a subsidiary which is not likely to be able to offset against profits in the next year.

The deferred tax liability set out above is expected to reverse within 12 months.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>48,374</u>	<u>80,367</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

20 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	300	300	300	300

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	92,015	203,265	-	-
	92,015	203,265	-	-

22 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales	Sales	Purchases	Purchases
	2022	2021	2022	2021
	£	£	£	£
Group				
Other related parties	-	2,000	205,682	257,503

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022	2021
	£	£
Group		
Directors	885,214	929,571
Other related parties	1,469,956	1,275,378

LANCASHIRE WASTE RECYCLING (HOLDINGS) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

22 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties

	2022 Balance £	2021 Balance £
Group		
Other related parties	-	17,200

23 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	1,217,920	2,164,344
Adjustments for:		
Taxation charged	395,385	529,280
Finance costs	516,838	432,770
Gain on disposal of tangible fixed assets	(113,906)	(38,441)
Depreciation and impairment of tangible fixed assets	1,503,804	1,291,092
Movements in working capital:		
Increase in stocks	(78,191)	-
Increase in debtors	(925,307)	(2,120,843)
Increase in creditors	67,141	199,798
Decrease in deferred income	-	(12,091)
Cash generated from operations	2,583,684	2,445,909

24 Analysis of changes in net debt - group

	1 March 2021 £	Cash flows £	New finance leases £	28 February 2022 £
Cash at bank and in hand	367,546	(279,626)	-	87,920
Borrowings excluding overdrafts	(2,604,586)	(64,738)	-	(2,669,324)
Obligations under finance leases	(3,486,449)	1,906,886	(1,619,377)	(3,198,940)
	<u>(5,723,489)</u>	<u>1,562,522</u>	<u>(1,619,377)</u>	<u>(5,780,344)</u>

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