

Company Registration No. SC303441 (Scotland)

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
COMPANY INFORMATION

Directors	M P Williams	
	C D Williams	
	R A Williams	
	G A Hill	
	N G Black	(Appointed 13 May 2022)
	R F D Ray	(Appointed 13 May 2022)
	C D Robertson	(Appointed 13 May 2022)

Company number	SC303441
-----------------------	----------

Registered office	Unit 5 Mayfield Industrial Estate Mayfield Dalkeith Midlothian United Kingdom EH22 4AD
--------------------------	---

Auditor	Azets Audit Services Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF
----------------	--

Bankers	The Royal Bank of Scotland PLC 36 St Andrew Square Edinburgh United Kingdom EH2 2YB
----------------	---

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
CONTENTS**

	Page
Strategic report	1 - 6
Directors' report	7 - 9
Independent auditor's report	10 - 12
Group statement of comprehensive income	13
Group balance sheet	14
Company balance sheet	15
Group statement of changes in equity	16
Company statement of changes in equity	17
Group statement of cash flows	18
Notes to the financial statements	19 - 40

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
STRATEGIC REPORT**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Principal activities

The principal activity of the group in the year under review was the collection, recycling and production of resources in addition to other ancillary services.

Waste collection services are provided to the hospitality, retail, commercial, industrial and construction industries.

Waste such as glass, food, dry mixed recycling, general residual, cardboard, paper, plastics, inert demolition spoil, soils, wood, green garden, asbestos, incinerator bottom ash, household, road sweepings, civic amenity is collected. This is undertaken by the fleet of trade refuse vehicles, skips, tippers, grabs and articulated vehicles which transport it to the Material Recycling Facilities.

Valuable products - cardboard, paper, washed sands & gravels, concrete, metals, refuse derived fuel, biomass, topsoil and animal bedding - are produced.

Headquartered in Midlothian, in central Scotland, the business services all of Scotland and the North East of England from ten sites.

Review of business performance

The group achieved turnover of £41.7m (2020: £32.7m) in the year; an increase of 28%. This generated an operating profit of £2.6m (2020: an operating loss of £1.9m) and a profit after tax of £1.4m (2020: a loss after tax £1.9m).

The financial results continued to be impacted by the COVID-19 virus and the associated level of uncertainty within the UK economy - we entered Q1 amid a national circuit breaker before the elongated national lockdown in our Q2. In H2, the business was also affected by the national driver shortage as well as disruption to the supply chain of both the business and our customers.

Despite this, a strong trading performance was seen in FY21. The business continued the robust recovery, building on the earlier resilience which facilitated the growth in the year. A substantial number of new customer wins contributing significant recurring revenue, fuelled the higher level of sales with improved margins driven by the new recycling equipment at our Edinburgh facility.

The acquisition and integration of the business and assets of J&J Stanley in Q3 expedited the growth of the Newcastle operations through increased capacity from both a larger site and additional plant and equipment suitable for scalable processing.

Key Performance Indicators ("KPIs")

One of the main tools to address risk is through the extensive use of KPIs and continuous commercial planning within a 5 year strategic framework. As part of a rolling monthly performance cycle framework the company monitors KPIs such as new business pipeline, service levels, collection movements, utilisation, collected tonnages, plant throughput, profitability and liquidity on a daily and weekly basis which are reviewed operationally and at board level.

Principal Risks and Uncertainties

The nature of the company's business and strategy are subject to a number of risks. The directors are of the opinion that the risk management processes adopted assist to identify, monitor and ultimately mitigate all the risks.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Risk Management Committees

The company operates a Risk, Health and Safety Committee with the purpose of reviewing and making recommendations on the adequacy and reliability of risk identification, mitigation and reporting. It fulfils the Board's corporate governance and supervisory responsibility for risk, health and safety and for developing policy to ensure best practice as well as the health and wellbeing of staff, contractors and visitors to the sites.

The committee meets quarterly ensuring the objectives, measures and targets of the company's policy are appropriate, adhered to and reported on. Risks addressed include regulatory, people & safety, business continuity, legal, reputational, environmental and community. A risk management plan is prepared and reviewed annually.

The Safety, Health, Environment, Fire and Quality Committee meets monthly and comprises all site managers. Its findings feed into the monthly Operational and Main Board meetings as well as the Risk, Health and Safety Committee.

The principal risks and uncertainties that affect the business are:

COVID-19

The company's trading operations in the early part of the year to September 2022 were adversely affected (to a limited extent) by the Covid-19 pandemic primarily through the interruption to operations caused by an absence of staff (suppliers, customers and our own) contracting the virus. Since then, the risks associated with the pandemic have eased. The company continues to ensure best practice precautions are continuously communicated to, and applied with, our staff.

Compliance

This is the largest risk facing the business whether it is from health and safety legalisation, environmental regulation or vehicular rules. Compliance has maximum focus in the business and is addressed through constant review and can be seen in the company's core values. The Compliance Director sits on the Board with responsibility for delivering a fully compliant business.

Macroeconomic climate

A challenging economic environment has been created by the conflict in Ukraine, Brexit and the pandemic. The company's strategy is robust enough to counter these headwinds.

Environment

The company is cognisant of its environmental responsibilities and processes and systems are in place to manage the impact on, as well as protect and enhance, the environment. There is strict adherence to the SEPA and EA waste management regulations.

Credit risk

The company's principal financial assets are bank balances, cash and trade debtors. The company's credit risk is primarily attributable to its trade debtors. Credit Risk is managed by monitoring the aggregate amount and duration of exposure to any one customer. Trade debtors are insured on an individual account basis. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by company's management based on prior experiences and their assessment of the current environment.

Liquidity risk

The financial risk management policy is to ensure continuity of funding for operations via facilities where limits have been established based on growth requirements of the business, together with inter-company debt and through acquiring an element of the Group's fixed assets under finance leases as appropriate. The group has an Invoice Finance Facility with RBS, providing flexibility to meet the growth requirements of the business. No treasury transactions or derivatives are entered into.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Legislation

Waste recycling is an increasingly regulated sector which can impact the revenue opportunities. The Scottish Government and its delivery body, Zero Waste Scotland, have introduced ambitious waste recycling policies such as waste reduction targets for food, the introduction of Deposit Return Scheme for glass bottles and plastic containers and a landfill ban on municipal biodegradable waste by 2025. Major Scottish cities are introducing Low Emission Zones from mid-2022 which are designed to target the most polluting vehicles; our fleet has been modernised to ensure it is compliant with the new regulations. The business has visibility of changes to the legal environment and the prevailing political sentiment and plans accordingly.

Human resources

People are the company's greatest asset and there is a continuing reliance on high calibre employees as the business grows. To deliver this, investment has been and will continue to be made to increase capacity and capability through the business. In addition, the apprenticeship program ensures the business has a process to meet the constant need for high quality drivers.

End markets

The company operates in the construction sector which has experienced challenges in previous years. The risk faced by the company is significantly diversified as there is increasing sales activity in other markets eg hospitality, local government, facilities management, manufacturing, industrial, commercial, retail and leisure.

Commodities market

Volatility in global commodity prices can impact the revenues generated from the resource produced. Working with industry partners helps to mitigate any downside risk.

Business infrastructure

The business is reliant on various software and IT systems. Further improvements to our operational systems continued to be implemented throughout the business offering greater stability, analysis and reporting capability.

Acquisitions

A key plank of the growth strategy is through acquisitions. In the year, the business and assets of J&J Stanley Limited were acquired. There are many potential deals sourced and only those that are aligned to the strategy of, and have a strong culture fit with, NWH are progressing. This disciplined approach limits the risk of poor integration.

2022 Outlook

Building on the progress made in 2021, the focus for FY22 is delivering growth through continued increase in sales and margin improvement. The main drivers will be the full year benefit of revenues acquired in FY21 as well as the enlarged Newcastle operations and more efficient waste and aggregate processing.

As part of our Operational Excellence operating model, we have recruited a new Operations Director, Sean Harley. He will lead increased efficiency through our processes and structures and new technologies.

In October 2021, we restructured the business into one trading entity, NWH Group Limited (formerly NWH Waste Services Limited). This is the foundation to move to one operational system which will give one service delivery platform making us easier to buy from and drive further automation and integration.

As part of the strategic goal to become a more sustainable business, we are investing in new aggregate processing plant. It will provide a significant capability upgrade delivering incremental revenues and margins and reducing landfill.

Acquisition targets which meet the business' strategy and culture will continue to be actively pursued.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

S172 statement

The directors of the company, in line with their duties under s172 of the Companies Act 2006, believe that they have acted in the way they consider to be both in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so have regard (amongst other matters) to the:

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

The Board understands the importance of engaging with all its stakeholders and regularly discusses issues concerning employees, customers, suppliers, environment and community, regulators and shareholders which inform its decision-making processes.

During the year, the directors revamped the strategy for the business which is centred on the company's mission: "to lead industry change for the benefit of the planet". This is underpinned by the values of the business:

- Safety first
- Beyond compliance
- Aim higher
- Think national, act local
- The NWH family

Employees

We believe the core strength of the group is its people and we are committed to being a responsible business and employer. The group aims to recruit, develop, motivate and retain the best talent. For the business to succeed we need to engage and enable our people to perform at their best, develop their skills and capabilities, while ensuring we operate as efficiently and productively as possible.

Training remains important to the company and continued investment in this area is planned. We actively encourage our employees to take up training courses, and when possible, we offer work experience placements in partnership with local schools.

Communication with employees is vital and an open approach is taken. There is regular email correspondence to all staff detailing the latest business activity, news (prior to public release), CSR activity and recruitment. Periodic updates to drivers, through in-vehicle software, focuses on business updates and safety campaigns. The internal Facebook page gives a platform for two-way communication. In addition, there are monthly business reviews and Q&A sessions, for drivers and non-drivers, which provides direct access to the CEO to respond to queries and outline plans for the business.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Customers

We continue to work closely with all our customers, supporting them and working jointly to develop their, and our, businesses. Our team of business development managers and account managers regularly engage with all our customers to drive growth.

In addition, we communicate with our customers to provide updates on the business and our service offering. We interact with all customers through social media and marketing channels.

Suppliers

We value the supplier base as partners and our aim is to have strong stable working relationships with them. We seek to be fair and transparent in our dealings and we honour our arrangements with them.

The company undertakes regular meetings and calls with our suppliers as well as engage with them on social media.

Environment and community

The company is committed to positive and responsible courses of action regarding those aspects of the business which impact upon the environment. This is demonstrated by maintaining an Environmental Management System, which meets the requirements of ISO 14001 and is focused on preventing pollution and continuously improving the company performance. The strategy addresses the following key areas:

- Review environmental impacts pre-work
- Improve materials (design out banned chemicals) and ensure resource used throughout the supply chain is non-restricted
- Increase employee awareness and training
- Protect natural resources
- Recycle materials and minimise waste
- Engage with customers and regulatory authorities
- Safely transport and dispose of waste materials

We support Children 1st, our designated charity through a number of initiatives each year including a Christmas campaign raising substantial funds for the charity. We also partner with schools across our locations to teach about recycling.

Governance and regulation

The Board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards of business conduct and the good governance expected of a business of our nature and size and in full alignment with the laws and regulations. In doing so, we believe we will deliver our long-term business strategy and further develop our reputation in the waste recycling sector.

We are accredited to the industry's leading SSIP schemes. All aspects of our business operations, from our financial stability and quality management systems to health and safety practices and employment policies have been assessed and approved. Our management processes comply with the stringent requirements of both ISO 14001 and ISO 9001 (Quality Management System Standard). These accreditations from leading industry bodies provide independent assurance that we meet the rigorous criteria for private and public sector projects, both regionally and nationally.

We have a risk and control framework to ensure that the company complies with all legal and regulatory requirements pertinent to our industry.

Shareholders

The Board has a close working relationship with the shareholders and hold regular meetings and discussions to drive the business towards its long-term business strategy. The company is committed to considering properly their input and challenges.

The Board provides relevant information to the shareholders on a regular basis, including monthly Board packs containing analysis of performance against the key metrics.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

On behalf of the board

M P Williams
Director

24 June 2022

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
DIRECTORS' REPORT**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a dividend.

Directors

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

M P Williams	
C D Williams	
R A Williams	
G A Hill	
J R McCormick	(Resigned 13 May 2022)
N G Black	(Appointed 13 May 2022)
R F D Ray	(Appointed 13 May 2022)
C D Robertson	(Appointed 13 May 2022)

Employee involvement

The group's policy is to consult and discuss with employees in matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Energy and carbon report

The Company appointed Carbon Footprint Ltd to independently assess its greenhouse gas (GHG) emissions in accordance with the UK Governments 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table below summarises the GHG emissions for 2021 and 2020:

Scope	Activity	Location Based tCO2e	Location Based tCO2e
		2021	2020
Scope 1	Vehicle fuel usage	8,263	7,231
	Site gas	100	290
	Company car travel	11	-
	Scope 1 Sub Total	8,374	7,521
Scope 2	Electricity generation	202	522
	Scope 2 Sub Total	202	522
Scope 3	Well To Tank	2,005	-
	Electricity transmission & distribution	17	-
	Cash opt out car travel	6	-
	Employee-owned car travel (grey fleet)	6	-
	Waste	1	-
	Scope 3 Sub Total	2,035	-
Total tonnes of CO2e		10,611	8,043
Tonnes of CO2e per employee		34	26
Tonnes of CO2e per £m turnover		255	246
Total energy consumption (kWh)*		1,401,167	1,149,048

* Total energy consumption UK Electricity, UK Site Gas and vehicles owned by the company and employees (grey fleet)

Energy Efficiency Actions

The Company is fully aware of our obligations as a business user of electricity and gas. We are also conscious of our CO 2 greenhouse gas emissions and have a desire to decrease our fuel consumption where possible. New technologies, operational efficiencies in our business processes and minimising unnecessary travel are all under constant review.

Recent developments include introducing electric vehicles to our fleet; over 5% have already switched. We shall move all vehicles to electric or alternative fuels in the future. In addition, we are using online technology to reduce transportation costs and modernising the vehicle and plant fleet to ensure they meet Euro 6 standards.

During the last year we also completed a detailed target setting audit to identify milestones in reducing our greenhouse gas emissions and the impact on climate change.

The NWH Group is committed to achieving our carbon negative goals and have a clear strategy and plan in place to do so.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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;
- 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 directors are 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. They are 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.

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 financial instruments and risk.

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

M P Williams
Director

24 June 2022

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NWH HOLDINGS LIMITED**

Opinion

We have audited the financial statements of NWH Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 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 FRS 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 30 September 2021 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 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 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are 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.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF NWH 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

**NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF NWH HOLDINGS LIMITED**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Alan Brown (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

29 June 2022

Chartered Accountants
Statutory Auditor

Titanium 1
Kings Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	41,653,376	32,690,647
Cost of sales		(33,880,465)	(31,204,463)
Gross profit		<u>7,772,911</u>	<u>1,486,184</u>
Administrative expenses		(5,666,883)	(5,066,539)
Other operating income		523,554	1,695,518
Operating profit/(loss)	4	<u>2,629,582</u>	<u>(1,884,837)</u>
Interest payable and similar expenses	7	(643,862)	(459,295)
Profit/(loss) before taxation		<u>1,985,720</u>	<u>(2,344,132)</u>
Tax on profit/(loss)	8	(550,143)	398,337
Profit/(loss) for the financial year	26	<u><u>1,435,577</u></u>	<u><u>(1,945,795)</u></u>

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

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

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
GROUP BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	10	963,857		466,312	
Other intangible assets	10	137,298		241,722	
Total intangible assets		1,101,155		708,034	
Tangible assets	11	22,833,861		18,719,031	
		23,935,016		19,427,065	
Current assets					
Stocks	15	279,078		306,889	
Debtors	16	8,707,973		9,796,302	
Cash at bank and in hand		4,464,591		5,661,848	
		13,451,642		15,765,039	
Creditors: amounts falling due within one year	17	(21,646,178)		(17,950,215)	
Net current liabilities		(8,194,536)		(2,185,176)	
Total assets less current liabilities		15,740,480		17,241,889	
Creditors: amounts falling due after more than one year	18	(13,088,360)		(15,990,048)	
Provisions for liabilities					
Deferred tax liability	21	1,245,923		781,221	
		(1,245,923)		(781,221)	
Net assets		1,406,197		470,620	
Capital and reserves					
Called up share capital	23	809,600		809,600	
Capital redemption reserve	25	202,408		202,408	
Other reserves	24	(2,139,900)		(2,139,900)	
Profit and loss reserves	26	2,534,089		1,598,512	
Total equity		1,406,197		470,620	

The financial statements were approved by the board of directors and authorised for issue on 24 June 2022 and are signed on its behalf by:

M P Williams
Director

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Investments	12		2,160,203		2,160,203
Current assets					
Debtors	16	9,745,131		10,491,780	
Cash at bank and in hand		7,194		20,013	
		9,752,325		10,511,793	
Creditors: amounts falling due within one year	17	(3,552,921)		(2,587,195)	
Net current assets			6,199,404		7,924,598
Total assets less current liabilities			8,359,607		10,084,801
Creditors: amounts falling due after more than one year	18		(7,285,000)		(9,438,210)
Net assets			1,074,607		646,591
Capital and reserves					
Called up share capital	23		809,600		809,600
Capital redemption reserve	25		202,408		202,408
Profit and loss reserves	26		62,599		(365,417)
Total equity			1,074,607		646,591

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 £928,016 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 24 June 2022 and are signed on its behalf by:

M P Williams
Director

Company Registration No. SC303441

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 October 2019		809,600	202,408	(2,139,900)	3,544,307	2,416,415
Year ended 30 September 2020:						
Loss and total comprehensive income for the year		-	-	-	(1,945,795)	(1,945,795)
Balance at 30 September 2020		809,600	202,408	(2,139,900)	1,598,512	470,620
Year ended 30 September 2021:						
Profit and total comprehensive income for the year		-	-	-	1,435,577	1,435,577
Dividends	9	-	-	-	(500,000)	(500,000)
Balance at 30 September 2021		809,600	202,408	(2,139,900)	2,534,089	1,406,197

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 October 2019	809,600	202,408	(365,417)	646,591
Year ended 30 September 2020:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 30 September 2020	809,600	202,408	(365,417)	646,591
Year ended 30 September 2021:				
Profit and total comprehensive income for the year	-	-	928,016	928,016
Dividends	9	-	(500,000)	(500,000)
Balance at 30 September 2021	809,600	202,408	62,599	1,074,607

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	32	9,670,752	1,001,797
Interest paid		(643,862)	(459,295)
Income taxes refunded		207,349	147,004
Net cash inflow from operating activities		9,234,239	689,506
Investing activities			
Purchase of business		(1,294,077)	(1,000,000)
Purchase of intangible assets		-	(85,727)
Purchase of tangible fixed assets		(4,457,843)	(1,203,197)
Proceeds on disposal of tangible fixed assets		241,487	132,474
Proceeds on disposal of investment property		-	650,000
Net cash used in investing activities		(5,510,433)	(1,506,450)
Financing activities			
Proceeds/ (repayment) of invoice finance borrowings		(824,161)	455,983
Proceeds of new bank loans		-	7,000,000
Repayment of bank loans		(801,766)	(532,499)
Payment of finance leases obligations		(2,795,136)	(1,593,626)
Dividends paid to equity shareholders		(500,000)	-
Net cash (used in)/generated from financing activities		(4,921,063)	5,329,858
Net (decrease)/increase in cash and cash equivalents		(1,197,257)	4,512,914
Cash and cash equivalents at beginning of year		5,661,848	1,148,934
Cash and cash equivalents at end of year		4,464,591	5,661,848

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

NWH Holdings Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Unit 5 Mayfield Industrial Estate, Mayfield, Dalkeith, Midlothian, EH22 4AD.

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 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: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

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.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company NWH 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 30 September 2021. 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.

In prior years, the group's Other capital reserve was incorrectly classified to the Capital redemption reserve. As such, the comparatives presented for the prior year have been restated to correct this allocation. This is a reclassification adjustment within equity only and does not impact the previously reported results or net assets.

1.3 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business. The directors' assessment of going concern considers the group's principal risks and is dependent on a number of factors including financial performance and access to funding facilities.

Subsequent to the year end, the group restructured its bank facilities, replacing its current loans with two new loans, which expire in 2026 and 2027, and agreeing a reduction to its revolving credit facility. The group also entered into discussions with its finance provider to obtain a bank covenant waiver and an amendment to its bank covenants in respect of future periods. The group's finance provider continues to be supportive of the group and the directors expect both to be approved in due course.

The directors have prepared detailed financial projections for a period extending over 12 months from the date of approval of these financial statements. These projections have also been sensitised to reflect plausible downside scenarios. Based on these projections, the directors have a reasonable expectation that the group has adequate resources with sufficient levers available to continue in operational existence for the foreseeable future and to meet its obligations as they fall due.

Taking all of the above into account, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.4 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 relates to the collection and processing of materials, sale of recycled materials and skip hire.

Revenue from collection services is recognised when the materials have been collected and the loads weighed upon return to the processing facility. Revenue from processing services is recognised at the point in time when the processing service takes place. Revenue from the sale of recycled materials is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from skip hire is recognised on despatch of the skip to the customer.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	33% on cost
----------	-------------

1.7 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% on cost
Leasehold land and buildings	20% on cost
Plant and equipment	10-20% on cost
Computer equipment	33% on cost
Motor vehicles	20% on cost

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.

1.8 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities 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.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.10 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.

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.

1.11 Cash at bank and in hand

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.

1.12 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.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

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

1.13 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.

1.14 Taxation

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

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

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.

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.

1.15 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.

1.16 Retirement benefits

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

1.17 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.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 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 amount.

2 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 key sources of estimation uncertainty in applying accounting policies in the financial statements are:

- Useful economic lives of intangible and tangible assets
- Residual values of tangible assets
- Fair value of assets acquired in business combinations
- Bad debt provisioning
- Stock to tip provisioning

The annual amortisation or depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually and amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and physical condition of the assets.

The directors review the debtors ledger for customers who have overdue balances. Provision are made against balances which present a credit risk to the company. The directors also monitor customers' insured limits to mitigate the risk of bad or doubtful debts.

Fair values of assets acquired in business combinations are assessed by management based on their knowledge of the industry and physical conditions of the assets acquired.

Stock to tip provisions are measured at the directors best estimate the company's obligations in respect of unusable or unsellable materials held on site.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Collection	24,562,140	20,249,906
Processing	17,091,236	12,440,741
	<u>41,653,376</u>	<u>32,690,647</u>
Grants received	<u>487,626</u>	<u>1,633,203</u>

The directors consider there to be one geographical market of turnover, the United Kingdom.

4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(487,626)	(1,633,203)
Depreciation of owned tangible fixed assets	1,216,676	1,013,689
Depreciation of tangible fixed assets held under finance leases	1,743,088	1,360,646
(Profit)/loss on disposal of tangible fixed assets	(12,615)	181,588
Amortisation of intangible assets	345,940	187,538
Operating lease charges	<u>1,928,722</u>	<u>2,062,667</u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,000	4,750
Audit of the financial statements of the company's subsidiaries	30,000	24,750
	<u>35,000</u>	<u>29,500</u>
For other services		
Taxation compliance services	7,500	6,000
Other taxation services	2,950	-
	<u>10,450</u>	<u>6,000</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Drivers	123	103	-	-
Recycling	146	162	-	-
Directors	3	3	-	-
Administration	46	44	-	-
Total	318	312	-	-

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	10,735,863	9,487,835	-	-
Social security costs	1,020,812	927,756	-	-
Pension costs	128,842	121,302	-	-
Total	11,885,517	10,536,893	-	-

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and loans	375,197	289,859
Interest on finance leases and hire purchase contracts	251,218	125,745
Other interest	17,447	43,691
Total finance costs	643,862	459,295

8 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(65,366)	(31,798)
Adjustments in respect of prior periods	150,807	(650,009)
Total current tax	85,441	(681,807)

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Taxation

(Continued)

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	521,684	224,710
Changes in tax rates	147,763	58,580
Adjustment in respect of prior periods	(204,745)	180
	<u>464,702</u>	<u>283,470</u>
 Total deferred tax	 <u>464,702</u>	 <u>283,470</u>
 Total tax charge/(credit)	 <u>550,143</u>	 <u>(398,337)</u>

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

	2021	2020
	£	£
Profit/(loss) before taxation	<u>1,985,720</u>	<u>(2,344,132)</u>
 Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	 377,287	 (445,385)
Tax effect of expenses that are not deductible in determining taxable profit	25,566	22,069
Change in unrecognised deferred tax assets	45,977	6
Adjustments in respect of prior years	150,807	(650,009)
Research and development tax credit	(47,150)	-
Other permanent differences	-	272
Under/(over) provided in prior years	(18,216)	-
Deferred tax adjustments in respect of prior years	(204,745)	180
Fixed asset timing differences	(160,448)	31,218
Tax losses carried back	90,907	622,279
Remeasurement of deferred tax to current tax rate	299,021	58,580
Enhanced deduction for R&D expenditure	(70,646)	(47,416)
Surrender of tax losses for R&D tax credit	61,783	9,869
	<u>550,143</u>	<u>(398,337)</u>
Taxation charge/(credit)	<u>550,143</u>	<u>(398,337)</u>

9 Dividends

	2021	2020
	£	£
Recognised as distributions to equity holders:		
Final paid	<u>500,000</u>	<u>-</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Intangible fixed assets

Group	Goodwill	Software	Total
	£	£	£
Cost			
At 1 October 2020	2,273,234	340,249	2,613,483
Additions - business combinations	739,061	-	739,061
	<u>3,012,295</u>	<u>340,249</u>	<u>3,352,544</u>
At 30 September 2021			
Amortisation and impairment			
At 1 October 2020	1,806,922	98,527	1,905,449
Amortisation charged for the year	241,516	104,424	345,940
	<u>2,048,438</u>	<u>202,951</u>	<u>2,251,389</u>
At 30 September 2021			
Carrying amount			
At 30 September 2021	963,857	137,298	1,101,155
	<u>466,312</u>	<u>241,722</u>	<u>708,034</u>
At 30 September 2020			

The company had no intangible fixed assets at 30 September 2021 or 30 September 2020.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 October 2020	2,068,405	1,674,592	22,734,203	888,423	5,949,070	33,314,693
Additions	35,732	70,370	4,164,683	137,005	1,715,660	6,123,450
Business combinations	-	-	1,066,246	-	113,770	1,180,016
Disposals	-	-	(1,665,401)	-	(120,225)	(1,785,626)
Transfers	-	(53,630)	53,630	-	-	-
At 30 September 2021	2,104,137	1,691,332	26,353,361	1,025,428	7,658,275	38,832,533
Depreciation and impairment						
At 1 October 2020	493,918	1,000,043	10,121,946	734,325	2,245,430	14,595,662
Depreciation charged in the year	58,482	47,221	2,059,565	115,697	678,799	2,959,764
Eliminated in respect of disposals	-	-	(1,466,327)	-	(90,427)	(1,556,754)
Transfers	-	(11,354)	11,354	-	-	-
At 30 September 2021	552,400	1,035,910	10,726,538	850,022	2,833,802	15,998,672
Carrying amount						
At 30 September 2021	1,551,737	655,422	15,626,823	175,406	4,824,473	22,833,861
At 30 September 2020	1,574,487	674,549	12,612,257	154,098	3,703,640	18,719,031

The company had no tangible fixed assets at 30 September 2021 or 30 September 2020.

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	10,175,361	9,661,520	-	-
Motor vehicles	3,292,254	2,632,147	-	-
	13,467,615	12,293,667	-	-

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	2,160,203	2,160,203

Movements in fixed asset investments
Company

**Shares in
subsidiaries
£**

Cost or valuation

At 1 October 2020 and 30 September 2021

2,160,203

Carrying amount

At 30 September 2021

2,160,203

At 30 September 2020

2,160,203

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
City Truck Sales Limited	(1)	Dormant	Ordinary	100
Citysweep Limited	(1)	Dormant	Ordinary	100
NWH Construction Services Limited	(1)	Waste management	Ordinary	100
NWH Plant Hire Limited	(1)	Dormant	Ordinary	100
NWH Recycling (Philipstoun) Limited	(1)	Dormant	Ordinary	100
NWH Waste Services (Middleton) Limited	(1)	Dormant	Ordinary	100
NWH Group Limited (Previously known as NWH Waste Services Limited)	(1)	Waste management	Ordinary	100

(1) Unit 5, Mayfield Industrial Estate, Mayfield, Dalkeith, Midlothian, EH22 4AD.

From 1 October 2021 the trade and assets of NWH Construction Services Limited were hived across to The NWH Group Limited. From this point onwards NWH Construction Services Limited was dormant.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

14 Acquisition of a business

On 2 March 2021 the group acquired the trade and certain related assets from a recycling business, J & J Stanley Limited.

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Property, plant and equipment	974,992	205,024	1,180,016
Obligations under finance leases	(625,000)	-	(625,000)
	<u>349,992</u>	<u>205,024</u>	<u>555,016</u>
Total identifiable net assets			555,016
Goodwill			739,061
Total consideration			<u>1,294,077</u>
The consideration was satisfied by:			£
Cash			850,000
Additional site cleanup costs			312,779
Additional transaction costs			71,298
Additional compensation payments			60,000
			<u>1,294,077</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			1,768,000
Profit after tax			<u>980,000</u>

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the distribution of the company's services in new markets and the future operating synergies from the combination.

15 Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	<u>279,078</u>	<u>306,889</u>	<u>-</u>	<u>-</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	6,628,125	7,218,092	-	-
Corporation tax recoverable	521,259	814,049	-	-
Amounts owed by group undertakings	-	-	9,490,131	10,236,780
Other debtors	725,959	931,784	255,000	255,000
Prepayments and accrued income	832,630	832,377	-	-
	<u>8,707,973</u>	<u>9,796,302</u>	<u>9,745,131</u>	<u>10,491,780</u>

Included within trade debtors is £6,225,336 (2020: £6,253,945) which is subject to an invoice discounting arrangement.

17 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans	20	2,188,345	512,634	2,188,345	512,634
Obligations under finance leases	19	3,376,152	3,132,203	-	-
Invoice finance borrowings	20	4,252,459	5,076,620	-	-
Trade creditors		6,100,579	3,096,054	-	-
Amounts owed to group undertakings		-	-	708	-
Other taxation and social security		834,104	1,399,986	522,898	904,455
Other creditors		1,543,854	1,671,850	826,436	1,155,891
Accruals and deferred income		3,350,685	3,060,868	14,534	14,215
		<u>21,646,178</u>	<u>17,950,215</u>	<u>3,552,921</u>	<u>2,587,195</u>

18 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	20	7,285,000	9,438,210	7,285,000	9,438,210
Obligations under finance leases	19	5,803,360	6,551,838	-	-
		<u>13,088,360</u>	<u>15,990,048</u>	<u>7,285,000</u>	<u>9,438,210</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Finance lease obligations

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	3,376,152	3,132,203	-	-
In two to five years	5,803,360	6,551,838	-	-
	<u>9,179,512</u>	<u>9,684,041</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 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Hire purchase liabilities are secured over the assets they were used to acquire.

20 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	9,473,345	9,950,844	9,473,345	9,950,844
Invoice financing borrowings	4,252,459	5,076,620	-	-
	<u>13,725,804</u>	<u>15,027,464</u>	<u>9,473,345</u>	<u>9,950,844</u>
Payable within one year	6,440,804	5,589,254	2,188,345	512,634
Payable after one year	7,285,000	9,438,210	7,285,000	9,438,210

The Royal Bank of Scotland holds a bond and floating charge over the whole assets of the company together with cross guarantees between NWH Holdings Limited and other group companies. The total amount of debt over which group cross guarantees had been provided amounted to £9,473,345 (2020: £9,950,844).

RBS Invoice Finance Ltd (RBSIF) hold a floating charge in relation to the purchased debts. RBSIF's floating charge shall insofar as it relates to the purchased debts, but no further or otherwise, rank in priority to the bank's floating charge.

Bank loans are represented by term loans and revolving credit facilities. They are repayable over periods up to 72 months and attract interest at 1.75% to 3.4% over the base rate.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	1,873,736	781,221
Tax losses	(594,475)	-
Other timing differences	(33,338)	-
	<u>1,245,923</u>	<u>781,221</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability at 1 October 2020	781,221	-
Charge to profit or loss	464,702	-
	<u>1,245,923</u>	<u>-</u>
Liability at 30 September 2021	<u>1,245,923</u>	<u>-</u>

The Finance Bill 2021 was substantively enacted on 24 May 2021 changing the main rate of corporation tax from 19% to 25% after 1 April 2023. The closing deferred tax has been measured in accordance with the rate substantively enacted at the Balance Sheet date that would be expected to apply on reversal of the timing differences.

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	128,842	121,302
	<u>128,842</u>	<u>121,302</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.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

23 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	681,650	809,600	681,650	809,600
Ordinary A of £1 each	42,650	-	42,650	-
Ordinary B of £1 each	42,650	-	42,650	-
Ordinary C of £1 each	42,650	-	42,650	-
	<u>809,600</u>	<u>809,600</u>	<u>809,600</u>	<u>809,600</u>

Each share holds the right to one vote. Dividends are allotted in proportion to shareholdings. If the company was to be dissolved on a winding up basis distributions would be shared in proportion to shareholdings. Issued shares hold no right of redemption.

During the period, 127,950 ordinary shares were re-designated as Ordinary A, B and C shares.

24 Other reserves

Group	£
At the beginning of the prior year	(2,139,900)
At the end of the prior year	(2,139,900)
At the end of the current year	<u>(2,139,900)</u>
Company	£
At the beginning of the prior year	-
At the end of the prior year	-
At the end of the current year	<u>-</u>

25 Capital redemption reserve

	Group	2020	Company	2020
	2021	£	2021	£
	£		£	
At beginning and end of year	<u>202,408</u>	<u>202,408</u>	<u>202,408</u>	<u>202,408</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

26 Profit and loss reserves

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
At the beginning of the year	1,598,512	3,544,307	(365,417)	(365,417)
Profit/(loss) for the year	1,435,577	(1,945,795)	928,016	-
Dividends	(500,000)	-	(500,000)	-
At the end of the year	<u>2,534,089</u>	<u>1,598,512</u>	<u>62,599</u>	<u>(365,417)</u>

27 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	
	2021	2020	2021	2020
	£	£	£	£
Within one year	492,593	530,268	-	-
Between two and five years	834,715	788,689	-	-
In over five years	1,730,959	-	-	-
	<u>3,058,267</u>	<u>1,318,957</u>	<u>-</u>	<u>-</u>

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Acquisition of tangible fixed assets	<u>2,249,761</u>	<u>-</u>	<u>-</u>	<u>-</u>

29 Related party transactions

Transactions with related parties

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

	Sales		Purchases	
	2021	2020	2021	2020
	£	£	£	£
Group				
Other related parties	<u>20,867</u>	<u>18,463</u>	<u>326,250</u>	<u>165,000</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

29 Related party transactions

(Continued)

	Sale of investment property		Management charges received	
	2021	2020	2021	2020
	£	£	£	£
Group				
Other related parties	-	650,000	18,000	18,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
Group		
Other related parties	145,844	-
	<u> </u>	<u> </u>
Company		
Other related parties	414,501	414,501
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	Balance	Balance
	£	£
Group		
Other related parties	-	108,518
	<u> </u>	<u> </u>
Company		
Other related parties	255,000	255,000
	<u> </u>	<u> </u>

Other information

The company has taken advantage of the exemption provided by paragraph 33.1A of Financial Reporting Standard 102 and accordingly has not disclosed any transactions with 100% held group undertakings.

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

30 Directors' transactions

Dividends totalling £500,000 (2020 - £0) were paid in the year in respect of shares held by the company's directors and their partners.

The following loans with directors existed during the year. The loans are interest free and have no fixed date for repayment.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
R A Williams -	-	(187,689)	148,467	(180,000)	(219,222)
M P Williams -	-	(508,627)	500,900	(140,000)	(147,727)
C D Williams -	-	(29,783)	174,900	(180,000)	(34,883)
		<u>(726,099)</u>	<u>824,267</u>	<u>(500,000)</u>	<u>(401,832)</u>

31 Controlling party

The company is under the control of the directors, M P Williams, C D Williams and R A Williams.

32 Cash generated from group operations

	2021 £	2020 £
Profit/(loss) for the year after tax	1,435,577	(1,945,795)
Adjustments for:		
Taxation charged/(credited)	550,143	(398,337)
Finance costs	643,862	459,295
(Gain)/loss on disposal of tangible fixed assets	(12,615)	181,588
Amortisation and impairment of intangible assets	345,940	187,538
Depreciation and impairment of tangible fixed assets	2,959,764	2,374,335
Movements in working capital:		
Decrease/(increase) in stocks	27,811	(123,510)
Decrease/(increase) in debtors	795,539	(743,568)
Increase in creditors	2,924,731	1,010,251
Cash generated from operations	<u>9,670,752</u>	<u>1,001,797</u>

NWH HOLDINGS LIMITED
(PREVIOUSLY KNOWN AS THE NWH GROUP LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

33 Analysis of changes in net debt - group

	1 October 2020	Cash flows	New finance leases	30 September 2021
	£	£	£	£
Cash at bank and in hand	5,661,848	(1,197,257)	-	4,464,591
Borrowings excluding overdrafts	(15,027,464)	1,301,660	-	(13,725,804)
Obligations under finance leases	(9,684,041)	2,170,136	(1,665,607)	(9,179,512)
	<u>(19,049,657)</u>	<u>2,274,539</u>	<u>(1,665,607)</u>	<u>(18,440,725)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.