

Company registration number 08466840 (England and Wales)

FLETCHER PLANT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

FLETCHER PLANT LIMITED

COMPANY INFORMATION

Directors	B McCabe	(Appointed 11 March 2024)
	M C Mountain	(Appointed 11 March 2024)
	W Fisher	(Appointed 11 March 2024)

Company number	08466840
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Registered office	Clement Works Clement Street Sheffield S9 5EA
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Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD
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FLETCHER PLANT LIMITED

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FLETCHER PLANT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Fair Review of the Business

Business Activities

FPL's principal business activity is the provision of waste management services across the UK, to both commercial and domestic customers.

Performance Review

Turnover for the year grew by approximately 28% on the previous year from £17.3m in 2022 to £22.1m in 2023, which is a very positive outcome and undoubtedly benefits from an element of post-Covid rebound in activity levels.

Gross profits increased by £2.7m, from £5.2m in 2022 to £7.8m in 2023 and as a percentage of sales the 2023 numbers were 5% higher than 2022 as a result of a combination of factors including sales mix and the inclusion of semi-fixed costs in cost of sales.

Distribution costs rose by £0.9m from £1.7m in 2022 to £2.7m in 2023, which is a 2% increase as a percentage of sales year on year and reflects the continued high cost of diesel and the full year impact of the removal of red diesel in April 2022. In real terms distribution costs should be taken into account when considering gross profits and as such would better reflect the underlying change in the business.

Administration costs rose by £0.8m, with 50% of this increase being related to salary costs, both from additional people and the much publicised levels of inflationary pressure on labour costs. In addition, the company was impacted by a small number of bad debts in the year which together amounted to £0.1m; whilst disappointing, this cost remains a small percentage of turnover compared to industry norms.

The net result from all of the aforementioned changes was an operating profit of £1.7m, which compares favourably to £0.8m in 2022, particularly given the fuel costs increases and ongoing investment in the future of the group.

Future Prospects, Development and Performance

Trading since the year end has been positive, with all areas of the business performing in line with expectations. Sales to December 2023, the Company's half-year, are in excess of £12m and as such are tracking at levels consistent with the numbers achieved in these financial statements.

The remaining 6 months of the 2024 financial year are expected to be consistent with the first 6 months and whilst the construction sector (the Group's main market segment), is being talked about cautiously from a broad economic perspective, locally it appears to be resilient.

The main risk to the business is slow economic growth and the resulting impact on the company's main customer segments, however as waste generally is a growing challenge for all elements of the economy, it is hoped that the growing demand for better waste recovery will out-strip downturns in any one customer segment.

FLETCHER PLANT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Key Performance Indicators

The following are the main key performance indicators of the Company:

- **Turnover per driver hour** - this is a measure of the amount of turnover generated from each hour certain of our drivers are on the road. The goal is to increase the utilisation/productivity of our drivers by reducing the amount of unnecessary time spent at our depots.
- **Tonnage of waste processed per productive labour hour** - this measures the labour hours per tonne of processed waste and provides management with the means to increase productivity through better management of all productive labour.
- **Aged debtors** - measured monthly to monitor our debtor collection performance; the Group uses a range of credit monitoring tools to ensure that existing and new accounts meet our credit risk profile.
- **Customer quote conversions** - this measures the number of customer quotes which turn into orders and seeks to drive up the effectiveness of our sales team.

Post Balance Sheet Events

On 11 March 2024, the Company's parent undertaking, Fletchers Waste Management Limited, was sold to DM TopCo Limited, a member of the Beauparc Utilities Group. This sale is an exciting next step in the Company's future and will enable it to unlock further opportunities that exist within both the Sheffield City Region and nationally.

On behalf of the board

W Fisher
Director

22 March 2024

FLETCHER PLANT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the company continued to be that of the recycling of metals and waste commodities.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

R P Fletcher	(Resigned 11 March 2024)
G L Leverett	(Resigned 11 March 2024)
F Lythgoe	(Resigned 11 March 2024)
F Ward	(Resigned 11 March 2024)
M L Loy	(Resigned 11 March 2024)
L Jarman	(Resigned 11 March 2024)
B McCabe	(Appointed 11 March 2024)
M C Mountain	(Appointed 11 March 2024)
W Fisher	(Appointed 11 March 2024)

Auditor

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

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Strategic report

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

FLETCHER PLANT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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 company's auditor 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 company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

W Fisher
Director

22 March 2024

FLETCHER PLANT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLETCHER PLANT LIMITED

Opinion

We have audited the financial statements of Fletcher Plant Limited (the 'company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 30 June 2023 and of its 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 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.

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.

FLETCHER PLANT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FLETCHER PLANT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our commercial knowledge and experience of the sector
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

FLETCHER PLANT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FLETCHER PLANT LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- enquiring of management as to actual and potential litigation and claims
- discussions with senior management regarding relevant regulations and reviewing the company's legal and professional fees.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Lisa Leighton
Senior Statutory Auditor
For and on behalf of BHP LLP

3 April 2024

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

FLETCHER PLANT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	22,096,007	17,278,751
Cost of sales		(14,260,863)	(12,094,405)
Gross profit		<u>7,835,144</u>	<u>5,184,346</u>
Distribution costs		(2,682,266)	(1,733,990)
Administrative expenses		(3,533,287)	(2,755,452)
Other operating income		60,000	60,000
Operating profit	4	<u>1,679,591</u>	<u>754,904</u>
Interest payable and similar expenses	7	(109,193)	(101,860)
Profit before taxation		<u>1,570,398</u>	<u>653,044</u>
Tax on profit	8	(348,953)	(1,397)
Profit for the financial year		<u><u>1,221,445</u></u>	<u><u>651,647</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FLETCHER PLANT LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		6,804,346		6,244,889
Investments	10		100		100
			<u>6,804,446</u>		<u>6,244,989</u>
Current assets					
Debtors	12	8,953,115		7,324,963	
Cash at bank and in hand		93,433		77,732	
		<u>9,046,548</u>		<u>7,402,695</u>	
Creditors: amounts falling due within one year	13	<u>(6,967,097)</u>		<u>(5,940,895)</u>	
Net current assets			<u>2,079,451</u>		<u>1,461,800</u>
Total assets less current liabilities			<u>8,883,897</u>		<u>7,706,789</u>
Creditors: amounts falling due after more than one year	14		<u>(1,954,069)</u>		<u>(2,424,406)</u>
Provisions for liabilities					
Deferred tax liability	16	<u>1,473,000</u>	<u>(1,473,000)</u>	<u>1,047,000</u>	<u>(1,047,000)</u>
Net assets			<u><u>5,456,828</u></u>		<u><u>4,235,383</u></u>
Capital and reserves					
Called up share capital	18		200,000		200,000
Capital redemption reserve			300,000		300,000
Profit and loss reserves			<u>4,956,828</u>		<u>3,735,383</u>
Total equity			<u><u>5,456,828</u></u>		<u><u>4,235,383</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 22 March 2024 and are signed on its behalf by:

W Fisher
Director

Company registration number 08466840 (England and Wales)

FLETCHER PLANT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2021	200,000	300,000	3,083,736	3,583,736
Year ended 30 June 2022:				
Profit and total comprehensive income	-	-	651,647	651,647
Balance at 30 June 2022	200,000	300,000	3,735,383	4,235,383
Year ended 30 June 2023:				
Profit and total comprehensive income	-	-	1,221,445	1,221,445
Balance at 30 June 2023	200,000	300,000	4,956,828	5,456,828

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Fletcher Plant Limited is a private company limited by shares incorporated in England and Wales. The registered office is Clement Works, Clement Street, Sheffield, S9 5EA.

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.

This 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:

- 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Fletcher Plant Limited is a wholly owned subsidiary of Fletchers Waste Management Limited and the results of Fletcher Plant Limited are included in the consolidated financial statements of Fletchers Waste Management Limited which are available from Clement Works, Clement Street, Sheffield, S9 5EA.

1.2 Prior year restatement

Comparative amounts in relation to directors remuneration and NBV of assets held on hire purchase have been restated within the relevant notes to reflect their accurate balances. This has no impact on the profit or the reserves.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

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.

1.5 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:

Improvements to property	10% straight line
Plant and equipment	10% straight line
Fixtures and fittings	10% straight line
Motor vehicles	20% straight line

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

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company 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).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies 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.

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 Equity instruments

Share capital issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on share capital are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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 company'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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.13 Retirement benefits

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

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (Continued)

1.14 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Critical judgements

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

Accruals

Significant estimates and assumptions have been made relating to the costs of waste disposal included within accruals. Assessment of the anticipated costs of disposal have been made when determining the value of provision required. In determining this provision, judgements regarding the tonnage and the disposal cost per tonne of waste held at the year-end are made. Estimates are based on historical experience and knowledge of the composition of the waste held at the year-end.

3 Turnover

	2023	2022
	£	£
Turnover analysed by class of business		
Waste disposal	21,694,305	16,691,705
Metals	401,702	587,046
	<u>22,096,007</u>	<u>17,278,751</u>
	<u>2023</u>	<u>2022</u>
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>22,096,007</u>	<u>17,278,751</u>

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	22,650	19,600
Depreciation of owned tangible fixed assets	470,800	423,479
Depreciation of tangible fixed assets held under finance leases	493,440	459,432
Loss on disposal of tangible fixed assets	23,438	39,475
Operating lease charges	215,108	184,569
	<u>215,108</u>	<u>184,569</u>

5 Employees

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

	2023	2022
	Number	Number
Management	6	6
Production	30	30
Drivers	25	24
Yard operatives	48	39
Total	<u>109</u>	<u>99</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	4,138,674	3,407,364
Social security costs	282,225	119,694
Pension costs	88,752	75,259
	<u>4,509,651</u>	<u>3,602,317</u>

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	445,294	383,019
Company pension contributions to defined contribution schemes	11,713	14,827
	<u>457,007</u>	<u>397,846</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022 - 5).

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

6 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	125,760	100,000
Company pension contributions to defined contribution schemes	6,430	6,374
	<u>132,190</u>	<u>106,374</u>

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	10,141	24,607
Interest on finance leases and hire purchase contracts	99,052	74,078
Other interest	-	3,175
	<u>109,193</u>	<u>101,860</u>

8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	5,523	-
Adjustments in respect of prior periods	(82,570)	(123,303)
Total current tax	<u>(77,047)</u>	<u>(123,303)</u>
Deferred tax		
Origination and reversal of timing differences	<u>426,000</u>	<u>124,700</u>
Total tax charge	<u>348,953</u>	<u>1,397</u>

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

8 Taxation (Continued)

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:

	2023 £	2022 £
Profit before taxation	1,570,398	653,044
Expected tax charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	321,932	124,078
Tax effect of expenses that are not deductible in determining taxable profit	3,780	218
Tax effect of income not taxable in determining taxable profit	(2,731)	(22,354)
Adjustments in respect of prior years	(82,570)	(123,303)
Group relief	(20)	50,360
Other permanent differences	(66)	517
Deferred tax adjustments in respect of prior years	-	51,167
Tax at marginal rate	(206)	-
Fixed asset differences	(18,907)	(96,891)
Remeasurement of deferred tax for changes in tax rates	65,545	17,029
Movement in deferred tax not recognised	62,196	576
Taxation charge for the year	348,953	1,397

9 Tangible fixed assets

	Improvements to property £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 July 2022	193,672	8,661,152	54,979	319,542	9,229,345
Additions	87,762	1,374,507	64,838	221,177	1,748,284
Disposals	-	(534,927)	-	(93,464)	(628,391)
At 30 June 2023	281,434	9,500,732	119,817	447,255	10,349,238
Depreciation and impairment					
At 1 July 2022	19,761	2,869,152	2,528	93,015	2,984,456
Depreciation charged in the year	22,835	864,380	12,290	64,735	964,240
Eliminated in respect of disposals	-	(346,159)	-	(57,645)	(403,804)
At 30 June 2023	42,596	3,387,373	14,818	100,105	3,544,892
Carrying amount					
At 30 June 2023	238,838	6,113,359	104,999	347,150	6,804,346
At 30 June 2022	173,911	5,792,000	52,451	226,527	6,244,889

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9 Tangible fixed assets (Continued)

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

	2023 £	2022 £
Plant and equipment	4,164,211	3,995,602

10 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	11	100	100

11 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Mr Rubble Limited	Clement Works, Clement Street, Sheffield, S9 5EA	Dormant	Ordinary	100.00

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	3,302,235	2,887,980
Corporation tax recoverable	599,336	293,202
Amounts owed by group undertakings	3,656,732	2,912,905
Prepayments and accrued income	1,394,812	1,230,876
	<u>8,953,115</u>	<u>7,324,963</u>

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	15	1,380,450	990,688
Trade creditors		2,622,893	2,610,142
Amounts owed to group undertakings		200	200
Corporation tax		521,129	-
Other taxation and social security		522,519	374,111
Other creditors		1,265,375	1,448,776
Accruals and deferred income		654,531	516,978
		<u>6,967,097</u>	<u>5,940,895</u>

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

13 Creditors: amounts falling due within one year (Continued)

Obligations under finance leases are secured by a fixed charge over the assets to which they relate.

Included in other creditors is an invoice discounting facility of £1,026,228 (2022: £1,404,728). This is secured by an all assets debenture over the present and future assets of the company.

14 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	15	1,954,069	2,424,406

Obligations under finance leases are secured by a fixed charge over the assets to which they relate.

15 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	1,954,069	990,688
In two to five years	1,380,450	2,424,406
	<u>3,334,519</u>	<u>3,415,094</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery.

16 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	1,475,000	1,047,000
Short term timing differences	(2,000)	-
	<u>1,473,000</u>	<u>1,047,000</u>
Movements in the year:		2023 £
Liability at 1 July 2022		1,047,000
Charge to profit or loss		426,000
Liability at 30 June 2023		<u>1,473,000</u>

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

17 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	88,752	75,259

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Accrued pension contributions at the year end in respect of defined contribution schemes amounted to £7,807 (2022: £9,306)

18 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A shares of £1 each	100,000	100,000	100,000	100,000
Ordinary B shares of £1 each	100,000	100,000	100,000	100,000
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

19 Operating lease commitments

Lessee

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

	2023	2022
	£	£
Within one year	222,953	211,376
Between two and five years	824,526	758,657
In over five years	326,197	478,750
	<u>1,373,676</u>	<u>1,448,783</u>

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	218,200	-

21 Events after the reporting date

On 11 March 2024 the company's parent undertaking Fletchers Waste Management Limited was acquired by DM TopCo Limited a member of the Beauparc Utilities Group.

FLETCHER PLANT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

22 Related party transactions

The company has taken advantage of the exemption in FRS 102 paragraph 33.11 from the requirement to disclose transactions with group companies on the grounds that significant influence is held by the ultimate parent company of the group companies.

S A Lythgoe and R P Fletcher hold a cross guarantee and debenture between the following group companies: Fletchers Waste Management Limited, Fletcher Plant Limited and Mr Rubble Limited in relation to loan notes which are held within Fletchers Waste Management Limited. At the year end the balance remaining on these loan notes is £5,370,641 (2022: £6,286,714)

Payments to related party pension schemes totalled £215,000 (2022: £185,000) in relation to property rental agreements.

The company entered into transactions with other business interests of Mr G Leverett, a director of the company. A summary of these transactions is set out below:

Materials Market Limited

During the year the company made purchases of £492,037 (2022: £Nil). A balance of £61,264 (2022: £Nil) was owed to Materials Market and is included in trade creditors at the year end.

23 Ultimate controlling party

At 30 June 2023 the immediate and ultimate parent undertaking of Fletcher Plant Limited was Fletchers Waste Management Limited, a private company limited by shares incorporated in England and Wales. The registered office is Clement Works, Clement Street, Sheffield, United Kingdom, S9 5EA.

On 11 March 2024 the company's parent undertaking Fletchers Waste Management Limited was acquired by DM TopCo Limited a company incorporated in the Republic of Ireland and a member of the Beauparc Utilities Group.

24 Prior period adjustment

The investment held by Fletcher Plant Limited in its subsidiary company Mr Rubble Limited of £100 has been reclassified from amounts owed to group undertakings to investment to reflect the position.

The prior period adjustment does not give rise to any effect on profit or equity as previously reported.

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