GREENER EALING LTD

GREENER EALING LTD

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2022

COMPANY NUMBER 12136927

GREENER EALING LTD

CONTENTS

GREENER EALING LTD

COMPANY INFORMATION

DIRECTORS:	Alison Reynolds Kieran Read Michael Gordon Boult
COMPANY SECRETARY:	Waterstone Company Secretaries Ltd Third Floor, 5 St. Bride Street London EC4A 4AS United Kingdom
REGISTERED OFFICE:	Perceval House 14-16 Uxbridge Road Ealing London W5 2HL United Kingdom
AUDITOR:	Beever and Struthers Statutory Auditor Suite 9b The Beehive Lions Drive Shadsworth Business Park Blackburn BB1 2QS United Kingdom

GREENER EALING LTD

STRATEGIC REPORT

This is the Strategic Report for Greener Ealing Ltd (the "Company") for the year ended 31st March 2022.

Business review

The Company's principal activity is to provide waste collection, street cleansing and other maintenance services on behalf of London Borough of Ealing Council under a five-year contract which commenced on 5th July 2020.

In addition during the year the Company commenced medium size contracts outside of the main Services Agreement with London Borough of Ealing Council.

The Company's aim is to provide a high-quality cost-effective client facing service whilst delivering positive financial returns to its shareholder.

We have continued to deliver frontline services to an improving standard and have been delighted with the progress that has been made. This was a difficult year with the ongoing issues associated with the pandemic combined with the national crisis of the HGV Driver shortage. This presented a unique set of circumstances that the growing and flourishing team had to contend with.

Our strategy

Despite the challenging circumstances we continue to make good strategic progress through reviewing currently provided services, investing in better waste collection infrastructure, safer and more efficient waste collection rounds, clean streets and green spaces at the same time as controlling costs and emissions to achieve improved operating efficiency and reduced environmental impact.

Our strategy is structured around the Company values. These set out what we stand for and how we behave at work. These are the basis of how we deliver our vision of being one of the leading environmental service providers in West London.

For Greener Ealing Ltd our approach is:

Customer Comes First – remembering our purpose and doing our very best for the people we serve

Collaborative – with workmates and others – working together

Caring – about the health, safety, welfare and wellbeing of our employees

Committed – delivering services, to innovation, tackling problems and finding better ways of working.

Key performance indicators

The company regularly monitors revenue and costs compared to budget and hence profit before tax is a key indicator for the business. As revenue is relatively fixed, the main relevant indicators are cost items. Management accounts are produced and reviewed by the Board on a regular basis. An operational performance report, including key financial information, is provided to the shareholder on a regular basis.

The Company has budget and target measures for all areas of its activity and actual performance is compared to these, with variances detailed and analysed. Where appropriate, budgets are profiled on a monthly basis to reflect seasonality of costs and volume.

Operational KPIs related to the services are also measured on a monthly basis, with targets agreed and performance discussed with London Borough of Ealing Council.

Health & Safety

The Company's Health & Safety performance has been and will remain a key priority. The procedures are fundamental to how the business operates and are always at the core of the company's activity. Training, guidance, and resources ensures that the business is not only compliant with regulatory bodies but is operating within the best practice. The Company has an in-house team of HSQE professionals with broad knowledge and experience of the field that provide the business with support on a day to day basis.

Covid-19

We have operated throughout the various stages of the Covid pandemic and maintained all priority services. Following an agreed Business Continuity Plan we have managed to maintain essential services to residents. There has been a limited impact on the cost of providing services and therefore the impact on the company's financial statements has been limited in the year ending March 2022. In future years, the company assesses its risk to Covid-19 to also be low.

Brexit

The Board and Directors continue to monitor closely the potential implications on our business, including in particular, any potential changes to supply changes and availability of cost of labour as well as any operational and legislative impacts.

There will be Brexit related challenges in the future, but we are confident that we are well positioned to managed through prospective challenges and work to take advantage of the opportunities that may arise.

Climate change

The London Borough of Ealing Council, the Company parent company has declared a Climate Emergency and aims to make Ealing carbon neutral by 2030, taking into account both production and consumption emissions. Greener Ealing Ltd proposed a Carbon Reduction target for 2022 of 126 tonnes equivalent to 7% of our emissions for 2021.

The Company is conscious that all types and uses of energy, and the production/manufacture of materials, and especially with large items such as Heavy Goods Vehicles (HGV) have a significant "Well to Wheel" carbon footprint. Which may mean that although the local tail pipe emissions of a fully electric or alternative fuel HGV support local Net Carbon reduction targets in relation to air quality, there still will be a significant element of Carbon emissions to the work being carried out. Our approach to carbon reduction will reflect a broader approach to the overall reduction in emissions rather than a wholesale change of technology, especially in relation to alternative fuels where in some respects the end-of-life environmental legacy of some of the components and materials is unknown at present. As we progress our carbon reduction plan will also look at our direct and indirect supply chain as well as staff home to work travel arrangement.

Principal risks

As part of overall governance, the Company has a number of risk management and internal control procedures to ensure that it manages its risk appropriately at every level within the business, from those specific to individual work tasks, to those for business units.

The Company's risk approach is overseen by the Board, who review the key principal risks and uncertainties, with sustainability and resilience at the heart of most categories.

The Company's key objective is to manage the services contract within the fixed fee budget agreed by the Council. The delivery of services relies on the provision of labour, vehicles and plant. The effective management of directly employed labour and agency staff is key to delivery. Management accounts are produced monthly and reviewed by the Board on a regular basis.

Operational risks also include compliance with legislation such as vehicle operators licencing, environmental legislation, and Health and Safety legislation. A breach in any of these areas could have an adverse impact on the company.

Operational KPIs related to the services provided to the shareholder are also measured on a monthly basis, with targets agreed and performance discussed with the Council.

Directors' statement of compliance with duty to promote the success of the Company

The Directors of the Company must act in accordance with section 172 of the UK Companies Act 2006. The Directors are of the opinion that they have acted fairly and in good faith to promote the success of the Company for the benefits of its members.

The Directors have carried out these duties and have made decisions and undertaken short and long term strategies to maintain its financial performance and position. The Directors continue to recognise the importance of the Company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation.

Employees and Equalities

GEL's Vision is to be recognised as one of the leading environmental service providers in west London and we know that we can only deliver this Vision through each of our employees pulling together.

The health, safety, welfare and wellbeing of our employees is a priority and we have a range of HR policies, approved by the GEL Board, that aim to promote dignity at work, equal opportunities and good working relations based on fairness, equality and inclusiveness. These are reviewed periodically.

We aim to "Nurture and build a diverse and representative workforce which, at all levels, broadly represents the community it serves, enabling it to better meet the service needs of our customers" (GEL Equality and Diversity Policy).

At the February 2021 Board meeting three specific measurable equality objectives were approved:

1. <u>To get an accurate baseline of equalities information</u>

   This was considered essential in achieving objectives 2 and 3. We are satisfied that our baseline information on our workforce profile is accurate and up to date.

2. <u>To increase the numbers of female HGV drivers employed on the contract</u>

   The shortage of HGV drivers in general has been a feature across industry during the past 18 months or so as a result of pandemic, Brexit and changing patterns of online shopping. Consequently, we have struggled to retain our existing HGV drivers in the face of financial rewards available elsewhere. Similarly, we have found it difficult to attract new HGV drivers (male or female). One of our strategies to deal with this has been to offer training to our existing workforce as HGV drivers. This has been a long process. We would gladly offered training to our existing female staff but none of our front line females have even a driving licence for a car, which is a prerequisite.

   In addition, in partnership with Ealing Council colleagues, HGV driver training opportunities were made available to residents of the Borough with the understanding that successful candidates would than be available to work for GEL as HGV drivers. We had specified that females were underrepresented in the waste and recycling industry and therefore applications from them would be particularly welcomed. To date we have not had any females come through this route.

3. <u>To increase the numbers of females generally across the workforce</u>

   Our numbers of females across the workforce has remained low in percentage terms. We understand that this industry has traditionally been unattractive to females for various reasons and we have taken a number of measures to seek to address this. For instance, any adverts will include reference to females were underrepresented in the waste and recycling industry and therefore applications from them will be particularly welcomed. In addition, we have a focus group of frontline female staff where we seek to better understand what attracted them to work for GEL and what else, if anything, we could do to attract more females. We are in a process of adjusting hours/contracts to enable female candidates to work term-time, or weekend only, etc. We will keep this under review.

We review workforce profile information annually and report findings and proposed actions to our Board. We have a diverse workforce but a heavy concentration of males to females (95%:5%). We know that the waste/environmental services industry has not traditionally been seen as an attractive career choice for females, but we are trying to encourage more females to consider this, through targeted advertising, being prepared to adapt shift patterns, etc, where this would help.

HR also surveyed female front-line staff on what they believe to be the good and bad points of working for GEL. Generally, the company is viewed favourably and those surveyed confirmed they would be happy to recommend GEL to female associates as a good place to work. We will continue our efforts to enhance our gender balance. In terms of senior roles, females and BAME employees are well represented.

Our workforce profile data shows 1% indicating that they have a disability, although we accept that this is likely to be higher, as staff may choose, for whatever reason, to not disclose a disability reason. The company's Equalities and Diversity policy outlines that we will guarantee to interview any candidate with a disability who on the basis of their application appears to be able to meet the requirements of the job. We are aware, nevertheless, of our obligations under the Equality Act, and have taken steps to make "reasonable adjustments" to enable employees to continue to work. Training, career development and promotion opportunities are available to all staff. During the past year (2021/22) we have supported a number of LTS employees who may be classified as having a "disability" under the terms of the Equality Act, to return to work through phased returns, reduced hours and alternative duties. We are keen to continue this support wherever necessary even after the return.

The Company engages with employees throughout the year through multiple communication channels such as face-to-face meetings, calls, recorded vlogs, newsletters, toolbox talks and our employee app, Blink. We also conduct an annual staff engagement survey and report the outcome to the Board. We publish Vision and Values and invite employees to work with us to make the Company one of the Leading Environmental Services companies in west London and across the capital. This is promoted at Induction and throughout the employee lifecycle.

The Company has created its own Training Academy which via Training Facilitators deliver both internal bespoke and externally accredited training schemes and support continued staff development across the complete range of disciplines. Induction refresher training is currently being provided to all staff, which includes reiteration of the company Vision and Values, in terms of expected behaviours, etc. Manager and supervisor training is carried out in house by the HR team. Opportunities for further training, apprenticeships etc, are made available to all.

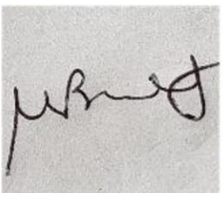
GREENER EALING LTD

Section 172 statement

Each director of the company has taken steps to act in the way they consider, in good faith, would be most likely to promote the cusses of the company for the benefit of members as a whole, and in doing so have regard (amongst other matters) to the matters below:

- The likely consequences of any decision in the long term. The Board has made principal decisions impacting the future of the company in line with the long term strategic objectives agreed with the ultimate parent company, the Council.
- The interests of the company's employees. The directors recognise that our employees are fundamental in everything we do. The success of our business depends on retaining, attracting and motivating a skilled workforce. Safety, Health, Environment and Quality remains at the forefront, with the onset of the Covid pandemic, we ensured that where possible our employees were able to work from home. Where home working was not possible, we introduced a Covid compliant method of work.
- The need to foster the company's business relationships with suppliers, customers and others. The company works closely with the Council, its principal customer to continue to deliver a high quality service. The Board priority is to have good relationships with suppliers, customers, both commercial and residential. Supplier payments are made in a timely manner.
- The impact of the company's operations on the community and the environment. We continually engage with various communities within the Ealing Borough and seek to listen to residents' feedback.
- The desirability of the company maintaining a reputation for high standards of business conduct. Company is focussed on being economically, environmentally and socially responsible. The directors regularly review the risks facing the Company, including those relating to compliance, legal and reputational. The framework keeps the Board informed and helps ensure that all decisions taken promote high standard of business conduct.
- The need to act fairly as between members of the company. The Directors make decisions and recommendations after taking into consideration the impact on all stakeholders and the alignment with our strategic objectives.

This report was approved by the Board of directors on 15 September 2022 and is signed on its behalf by:



Michael Gordon Boult

Chair

27 September 2022

Registered address:

Perceval House, 14-16 Uxbridge Road, Ealing London

W5 2HL, United Kingdom

GREENER EALING LTD

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year from 1st April 2021 to 31st March 2022.

Principal activities

The Company's principal activity is to provide waste collection, street cleansing and other maintenance services on behalf of London Borough of Ealing Council under a five-year contract which commenced on 5th July 2020.

Results

Profit before taxation for financial year amounted to £460,821 (2021: Profit before taxation - £13,036).

No dividends were paid in the reporting year.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Alison Reynolds – Non-executive Director

Kieran Read - Non-executive Director

Michael Gordon Boult - Chair

Directors indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

The Company holds directors' and officers' liability insurance cover for any claim brought against directors or officers for wrongful acts in connection with their positions.

Credit risk

The Company received majority of its revenue from London Borough of Ealing Council and therefore is not exposed to significant credit risk.

Market risk

The Company is exposed to inflationary cost pressures and the costs are monitored on a regular basis. The directors take appropriate action to mitigate the impact of any unexpected cost variances.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing and future operations, the Company has entered into a loan agreement with London Borough of Ealing Council with available loan facility up to £2,500,000.

Disabled employees

The statement describing the Company's policy in respect of the employment of disabled persons by the company has been included in the Strategic Report.

Engagement with employees

The statement describing the action that has been taken during the financial year by the company with respect to its engagements with employees has been included in the Strategic Report.

Events since the balance sheet date

There are no significant subsequent events to report until the date of these financial statements.

Disclosure of information to the auditors

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

- So far as each director is aware, there is no relevant audit information of which the Company's auditors is unaware; and
- Each director has taken all of the steps that they ought to have taken as a director in order to make themselves aware of any audit information and to establish that the company's auditor is aware of that information.

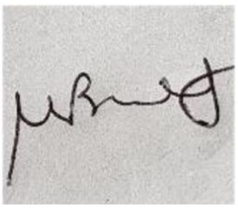
Going concern

The company is reliant on the continued financial support of its shareholder, which is expected to continue for the foreseeable future. London Borough of Ealing Council has confirmed via a letter of support its intention to continue to make available funds as are needed by the company for at least 12 months from the date of approval of the financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Auditor

Beever and Struthers (registered office address: Beever and Struthers, 15 Bunhill Row, London, EC1Y 8LP, United Kingdom) were appointed as auditor during the year.

This report was approved by the Board on 15 September 2022 and signed on its behalf by:



Michael Gordon Boult

Chair

27 September 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

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), including FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year. In preparing these financial statements, the directors are required to:

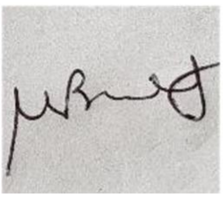
- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

This responsibility statement was approved by the Board of directors on 15 September 2022 and is signed on its behalf by:



Michael Gordon Boult

Chair

27 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREENER EALING LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Greener Ealing Ltd (the 'company') for the year ended 31 March 2022 which comprise the Profit and Loss Account, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies in note 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 31 March 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; 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 Board with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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 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 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 set out on page 11, 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.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the management and reviewed correspondence and for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that management have in place to prevent and detect fraud. We enquired of management about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of management about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of the audit 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.

M Bradley

Mark Bradley BA FCA (Senior Statutory Auditor)
For and on behalf of

Beever and Struthers
Chartered Accountants
Statutory Auditor

Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 7 October 2022

GREENER EALING LTD

PROFIT AND LOSS ACCOUNT
For the year ended 31st March 2022

	Notes	2022 £	2021 £
Turnover	3	22,402,446	16,190,741
Cost of Sales		(18,056,564)	(12,639,054)
GROSS PROFIT		**4,345,882**	**3,551,687**
Other Operating Income		808,632	146,505
Administrative Expenses		(4,574,164)	(3,536,935)
OPERATING PROFIT		**580,350**	**161,257**
Interest Receivable	8	289	437
Finance Costs	7	(119,818)	(148,658)
PROFIT BEFORE TAXATION		**460,821**	**13,036**
Taxation	6	(88,743)	(674)
PROFIT FOR THE YEAR		**372,078**	**12,362**
Actuarial gain arising on defined benefit pension scheme		9,193	24,310
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**381,271**	**36,672**

The Company has no other comprehensive income during the current year and therefore no separate statement to present other comprehensive income has been prepared.

The notes on pages 19-30 form part of these financial statements.

GREENER EALING LTD

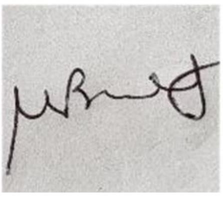
STATEMENT OF FINANCIAL POSITION

As at 31st March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	9	624,640	727,733
Tangible assets	10	5,862,640	7,629,884
		6,487,280	**8,357,617**
CURRENT ASSETS			
Debtors	11	1,010,879	517,190
Cash at bank and in hand	12	2,496,297	2,345,438
		3,507,176	**2,862,628**
Creditors: Amounts falling due within one year	13	(5,349,014)	(5,310,727)
Net current liabilities		**(1,841,838)**	**(2,448,099)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,645,442**	**5,909,518**
Creditors: Amounts falling due after more than one year	14	(4,063,036)	(5,811,380)
Provision for liabilities: Defined benefit pension liability		(175,258)	(72,261)
NET ASSETS		**407,148**	**25,877**
CAPITAL AND RESERVES			
Called up share capital	17	1	1
Profit and loss account		407,147	25,876
SHAREHOLDER'S FUNDS		**407,148**	**25,877**

The notes on pages 19-30 form part of these financial statements.

The financial statements of Greener Ealing Ltd (registered number 12136927) were approved by the Board of directors on 15 September 2022 and were signed on their behalf by:



Michael Gordon Boult

Chair

27 September 2022

GREENER EALING LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March 2022

	Called up share capital £	Profit and loss account £	Total capital and reserves £
Balance as at 1st July 2020 (Restated)	1	(10,796)	(10,795)
Profit and total comprehensive income for the year	-	36,672	36,672
Balance as at 31st March 2021	**1**	**25,876**	**25,877**
Profit and total comprehensive income for the year	-	381,271	381,271
Balance as at 31st March 2022	**1**	**407,147**	**407,148**

The notes on pages 19-30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2022

1. GENERAL INFROMATION

Greener Ealing Ltd is a private limited company by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 3.

The company main activities are to deliver waste, recycling, street cleaning, grounds maintenance and associated services to the residents of London Borough of Ealing.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) and in accordance with applicable accounting standards.

The financial statements are presented in sterling, which is the functional currency of the Company.

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

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- IFRS 2 Share-based payments paragraph 45(b), 46 - 52
- IFRS 7 Financial Instruments: disclosures
- IAS 1 Presentation of financial statements paragraph 10(d), 111, 134 - 136
- IAS 7 Statement of cash flows
- IAS 24 Related party disclosure paragraph 17
- IAS 36 Impairment of assets paragraph 134 and 135

2.1. Critical accounting estimates and judgments

The presentation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for the assets and liabilities at the statement of financial position date. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The nature of estimation means that the actual outcomes could differ from these estimates.

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

The directors have determined that there are no critical accounting estimates or judgements that affect the amounts reported in these financial statements.

Tangible fixed assets

Other than investment properties, tangible fixed assets are depreciated over the length of the lease taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Pension and other post-employment benefits.

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 17.

2.2. Going concern

The directors have prepared cash flow forecasts for a period of eighteen months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from the London of Borough of Ealing, to meet its liabilities as they fall due for that period.

London Borough of Ealing Council has confirmed via a letter of support its intention to continue to make available funds as are needed by the company for at least 12 months from the date of approval of the financial statements.

2.3. Revenue recognition

Revenue in respect of goods and services provided is recognised when performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Company accrues income relating to performance obligations satisfied in that year. Where the Company entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future year, the income is deferred and recognised as a contract liability.

2.4. Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are measured initially at fair value and subsequently measured using the expected credit loss model at amortised cost less provision for impairment.

2.5. Cash and cash equivalents

Cash is represented by cash on hand and demand deposit. Cash equivalents are highly liquid investment that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The definition is also used for the statement of cash flows.

2.6. Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Amounts owned by group undertakings and other trade receivables are initially recognised at fair value and subsequently carried at amortised cost, reduced by any appropriate allowances for unrecoverable amounts. Cash comprises of cash held in the bank.

Financial Liabilities

The Company's financial liabilities consist of shareholder borrowing and trade and other payables. All of which are initially recognised at fair value and subsequently carried at amortised cost.

2.7. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 and other payables are measured at fair value, and subsequently at amortised costs. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8. Intangible assets – computer software

Intangible assets represent investment in Company's information software. Amortisation is provided on a straight – line basis and is charged to Cost of Sales.

Computer Software	5 years

2.9. Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is charged on tangible fixed assets on a straight- line basis over the expected economic useful lives which are as follows:

Leased Motor Vehicles	5 years
Leased Plants	5 years
Motor Vehicles	5 years
Plants	3-5 years
Computer Hardware	5 years
Property Refurbishment	5 years

2.10. Leases

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term of the assets. The depreciation starts at the commencement date of the lease.

2.11. Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2.12. Pension accounting policy

The Company participates in a group defined benefit schemes for qualifying employees, the Local Government Pension Scheme.

The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting year within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to Note 17 for more details.

2.13. Taxation

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

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income and directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting or a business combination, the tax effect is included in accounting for the business combination.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other year 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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

3. Turnover

Turnover arises from the provision of waste collection, street cleansing and related services within the UK.
The following categories of revenue were recognised in the year:

	2022	2021
	£	£
Contractual Service Income	21,616,187	15,609,849
Additional Service Income	786,259	580,892
	22,402,446	**16,190,741**

All revenue has arisen in the United Kingdom.

4. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's financial statements for 2022 are £30,500 (2021: £34,300 paid by the parent company).

5. Employees

The average number of staff employed by the group during the financial year amounted to:

	2022	2021
	Number	Number
Operational	318	295
Management and administration	18	14
	336	**309**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2022

The aggregate payroll costs of the above for the year were:

	2022	2021
	£	£
Wages and salaries	10,299,070	7,240,278
Social security costs	999,229	687,601
Other pension costs	700,011	483,875
	11,998,310	**8,411,754**

6. Taxation

	2022	2021
The tax charge for the year is:	£	£
Current tax Result		
Current tax on profit/(loss) for the year	106,162	-
Current tax - prior year adjustment	962	-
Total Current Tax Result	**107,124**	**-**
Origination and reversal of temporary differences	(17,076)	674
Deferred Tax - prior year adjustment	1,059	-
Impact of tax rate change	(2,364)	-
Total Deferred Tax Result	**(18,381)**	**674**
Total Tax Result	**88,743**	**674**

The reason for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK of 19% applied to profits for the year are as follows:

	2022	2021
	£	£
Profit/(Loss) before tax	460,820	13,036
Expected tax charge/(credit) based on the standard rate of United Kingdom corporation tax at the domestic rate of 19%	87,556	2,477
Effects of unused tax losses and attributes not recognised as deferred tax assets	-	(1,803)
Items not tax deductible	1,531	-
Prior Year adjustment	2,020	-
Impact of tax rate change	(2,364)	
Total Tax Result	**88,743**	**674**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had been substantively enacted, and therefore its effects are included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2022

7. Interest payable and financing costs

Interest payable and financing costs in the year were:

	2022	2021
	£	£
Interest payable on loans	-	51,578
Interest payable on lease liabilities	118,363	96,365
Other finance costs	1,455	715
	119,818	**148,658**

8. Interest receivable

Interest receivable in the year was:

	2022	2021
	£	£
Interest receivable on bank deposits	(289)	(437)
	(289)	**(437)**

9. Intangible assets

	Computer Software	TOTAL
	£	£
Cost		
At 1st April 2021	845,162	845,162
Additions	78,000	78,000
At 31st March 2022	**923,162**	**923,162**
Amortisation		
At 1st April 2021	117,429	117,429
Charge for the year	181,093	181,093
At 31st March 2022	**298,522**	**298,522**
Net book value at 31st March 2021	**727,733**	**727,733**
Net book value at 31st March 2022	**624,640**	**624,640**

The intangible fixed assets are secured by loan facilities of £2,500,000 which are secured by debenture, in place from 23 July 2021. The facilities and debenture agreement are with the company's parent the London Borough of Ealing Council.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2022

10. Tangible fixed assets

	Right-of-use assets						
	Motor Vehicles	Plant	Motor Vehicles	Plant	Computer Hardware	Property	TOTAL
	£	£		£	£	£	£
Cost							
At 1st April	8,145,164	688,211	26,800	91,617	17,747	13,902	8,983,441
Additions	9,849	-	-	11,435	28,946	-	50,229
Write off	(20,089)						(20,089)
At 31st March 2022	**8,134,924**	**688,211**	**26,800**	**103,052**	**46,693**	**13,902**	**9,013,582**
Depreciation							
At 1st April	1,231,194	103,232	2,821	12,996	2,303	1,011	1,353,557
Charge for the year	1,628,308	137,642	5,642	18,875	7,903	3,033	1,801,403
Write off	(4,018)						(4,018)
At 31st March 2022	**2,855,484**	**240,874**	**8,463**	**31,871**	**10,206**	**4,044**	**3,150,942**
Net book value at 31st March 2021	**6,913,970**	**584,979**	**23,979**	**78,621**	**15,444**	**12,891**	**7,629,884**
Net book value at 31st March 2022	**5,279,440**	**447,337**	**18,337**	**71,182**	**36,486**	**9,858**	**5,862,640**

The Company has taken motor vehicles and plant on lease from London Borough of Ealing Council. The lease term is 5 years of which 4 years of lease is remaining. As at 31st March 2022 the net book value of right-of-use assets was £5,726,777.

The tangible fixed assets are secured by loan facilities of £2,500,000 which are secured by debenture, in place from 23 July 2021. The facilities and debenture agreement are with the company's parent the London Borough of Ealing Council.

11. Debtors

	2022	2021
	£	£
Trade debtors	16,460	16,328
Amounts owed from parent company	89,067	53,483
Prepayments	315,187	273,583
Accrued Income	580,316	173,796
	1,001,030	**517,190**
Deferred tax asset (note 16)	9,849	-
	1,010,879	**517,190**

The amounts owed from parent company are unsecured, interest free and have no fixed date of repayment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2022

12. Cash at bank and in hand

	2022 £	2021 £
Cash at Bank	196,081	1,995,438
Short Term Deposit	2,300,216	350,000
	2,496,297	**2,345,438**

13. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	763,240	921,071
Accruals	1,323,921	946,630
Other Creditors	56,194	75,280
Amount owed to parent company	1,091,203	1,368,712
Corporation tax (note 6)	106,162	-
Deferred taxation (note 6)	-	674
Other taxation and social security payable	254,036	272,821
Lease liabilities (note 15)	1,754,258	1,725,539
	5,349,014	**5,310,727**

The amount owed to parent company is a result of start-up costs incurred by the parent company. These costs are chargeable to the Company.

Amount owed to parent company are unsecured, interest free and have no fixed date of repayment.

14. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Lease liabilities (note 15)	4,063,036	5,811,380
	4,063,036	**5,811,380**

15. Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	2022	2021	2022	2021
	£	£	£	£
Minimum lease payments				
Within one year	1,842,187	1,843,938	1,754,258	1,725,539
1-2 years	1,842,187	1,843,938	1,785,183	1,756,011
2-3 years	1,842,187	1,843,938	1,816,878	1,786,924
3-4 years	462,288	1,843,938	460,975	1,818,636
4-5 years		451,120		449,809
	5,988,849	7,826,872	5,817,295	7,536,919
Less: future finance charges	(171,554)	(289,953)	-	-
Present value of lease obligations	**5,817,295**	**7,536,919**	**5,817,295**	**7,536,919**

The total cash outflow for leases amount to £1,843,217 (2021: £1,382,954)

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date.

The lease liability balances are attributed to London Borough of Ealing Council.

16. Deferred taxation

	2022	2021
	£	£
Fixed asset related temporary diffences	33,966	23,820
Other temporary differences	(43,815)	(17,444)
Deferred tax (asset)/liability	**(9,849)**	**6,376**

17. Retirement benefit schemes

Defined contribution scheme

The Company operates defined contribution retirement benefit schemes for all qualifying employees. During the year the Company paid contribution of £419k to defined contribution scheme.

Defined benefit scheme

The Company participates in a group defined benefit scheme for qualifying employees. The employer contribution rate is 23.9%. The calculation for the disclosures is based on an actuarial valuation of the scheme as at 31st March 2022 by a qualified independent actuary.

The Local Government Pension Scheme has been estimated by Mercer Limited, an independent firm of actuaries. The main assumptions used by the actuary to calculate scheme liabilities of the Company were;

	2022 % p.a	2021 % p.a
CPI Inflation	3.40%	2.70%
Rate of increase in salaries	4.65%	3.95%
Rate of increase in pensions in payment	3.50%	2.80%
Discount rate	2.80%	2.10%

The average future life expectancies at age 65 are as follows:

	2022	2021
Current pensioners (years)	22.9	23.0
Future pensioners (years)	24.4	24.7

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions. These assumptions have led to the amounts determined as the Company's defined benefit obligations for the reporting year. However, the actual outcome may vary. Changes in market conditions that result in changes in the net discount rate can have a significant impact on the value of the liabilities reported. There is also uncertainty around life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in payment.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

The objectives of the scheme are to keep employers' contributions at as constant rate as possible. The agreed strategy is to achieve a funding level of 100% over the next 14 years. Funding levels are monitored on an annual basis.

The Company anticipates paying £169k to the scheme in financial year 2022/23.

An analysis of the defined benefit cost follows:

Analysis of the amount charged to profit and loss

	2022 £	2021 £
Administrative expenses	5,000	4,000
Current service cost	277,000	231,000
Net interest cost	-	(1,000)
Remeasurements (liabilities & assets)	(11,350)	(30,000)
Pension expense recognised in the profit and loss account	**270,650**	**204,000**

Analysis of changes in plan assets during the year

	2022 £	2021 £
Fair value of plan assets at the beginning of the year	173,905	-
Interest on planned assets	5,900	1,000
Administrative expenses	(5,000)	(4,000)
Remeasurements (assets)	9,156	10,000
Contributions by employers	167,653	131,739
Contributions by members	46,487	35,166
Fair value of the plan assets at the end of the year	**398,101**	**173,905**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st March 2022

Analysis of changes in benefit liabilities during the year

	2022 £	2021 £
Benefit obligation at beginning of year	246,166	-
Current service costs	277,000	231,000
Interest on pension liability	6,000	-
Remeasurements (liabilities)	(2,294)	(20,000)
Contributions by members	46,487	35,166
Benefit obligation at the end of the year	**573,359**	**246,166**

18. Share capital

	2022 £	2021 £
<u>Allotted, called up and fully paid</u>		
1 Ordinary share of £1 (2021: £1 each)	1	1
	1	**1**

The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

19. Related party transactions

Related party transactions comprise of Chair fees of £12,600 (2021: £8,750).

20. Controlling party

The immediate and ultimate parent undertaking is the London Borough of Ealing Council.

The only group and therefore the largest and smallest undertaking in which the company's results are consolidated is that headed by London Borough of Ealing Council. Copies of the consolidated Statement of Accounts of London Borough of Ealing Council can be obtained from the registered office at 4th Floor, Perceval House, 14 – 16 Uxbridge Road, London, W5 2HL which is also the registered office of the London Borough of Ealing Council.

21. Subsequent events

There are no significant subsequent events to report until the date of these financial statements.