The case essentially turned on the interpretation of the EU directives and statutory regulations. Under Directive 86/278/EEC (the Sludge Directive) and the Sludge (Use in Agriculture) Regulations 1989, SI 1989/1263 (SUiAR), 'sludge' meant 'sludge'. It did not mean 'sludge including debris'. The term 'residual sludge' in the S3 exemption in the schedule to the 2016 Regulations meant sludge which, after storage, was in a condition ready to be used in accordance with the Sludge Directive and the SUiAR by spreading on the soil or any other application on or in the soil. The residual sludge covered by the S3 exemption was sludge that had been treated and was simply being stored pending use (see [50] of the judgment).

Under the S3 exemption, 'storage' meant 'storage'. It did not include any form of treatment. The screening process carried out by the claimant to remove debris from the sludge was unquestionably a form of treatment (see [51] of the judgment).