

PackCare Limited

Registered number: 00538863

Audited financial statements

For the year ended 31 March 2021



STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	266,207	382,723
		<u>266,207</u>	<u>382,723</u>
Current assets			
Stocks		13,121	11,919
Debtors: amounts falling due within one year	6	1,789,127	1,742,099
Cash at bank and in hand	7	357,600	199,670
		<u>2,159,848</u>	<u>1,953,688</u>
Creditors: amounts falling due within one year	8	(1,424,970)	(1,369,485)
Net current assets		<u>734,878</u>	<u>584,203</u>
Total assets less current liabilities		<u>1,001,085</u>	<u>966,926</u>
Provisions for liabilities			
Deferred tax	9	(5,553)	(18,242)
		<u>(5,553)</u>	<u>(18,242)</u>
Net assets		<u><u>995,532</u></u>	<u><u>948,684</u></u>
Capital and reserves			
Called up share capital	10	2,500	2,500
Share premium account	11	573,500	573,500
Profit and loss account	11	419,532	372,684
		<u>995,532</u>	<u>948,684</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Dec 23, 2021

Peter Hunt

Peter Hunt (Dec 23, 2021 17:42 GMT)

P T Hunt
Director

PACKCARE LIMITED
REGISTERED NUMBER: 00538863

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

PackCare Limited (the 'Company') is a private company limited by shares, registered number 00538863, incorporated in England and Wales.

The registered office of the Company is Richmond House, Selby Road, Garforth, Leeds, LS25 1NB.

The Company's financial statements are included in the consolidated financial statements of Wastecare Group Limited. The financial statements of WasteCare Group Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

These financial statements have been presented in pound sterling which is the functional currency of the company, and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of WasteCare Group Limited as at 31 March 2021 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the approval of these financial statements and thus they continue to adopt the going concern basis of accounting in adopting the annual financial statements.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured at fair value of the consideration received or receivable, net of discounts and value added tax. Turnover represents revenue earned from the rendering of industrial packaging and recycling costs.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- 20%
Plant & machinery	- 10-20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments 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.

2.12 Creditors

Short term creditors are measured at the transaction price. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The critical accounting judgements that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Determining residual values and useful economic lives of tangible

The Company depreciates tangible and intangible assets over their estimated useful lives. The estimation of the useful lives of tangible and intangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance and programmes.

Judgement is also applied, when determining the residual values of fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

4. Employees

The average monthly number of employees, including directors, during the year was 20 (2020 - 22).

PACKCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Tangible fixed assets

	Leasehold property £	Plant & machinery £	Total £
Cost			
At 1 April 2020	15,456	670,108	685,564
At 31 March 2021	15,456	670,108	685,564
Depreciation			
At 1 April 2020	7,946	294,895	302,841
Charge for the year on owned assets	3,091	113,425	116,516
At 31 March 2021	11,037	408,320	419,357
Net book value			
At 31 March 2021	4,419	261,788	266,207
At 31 March 2020	7,510	375,213	382,723

PACKCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Debtors

	2021	2020
	£	£
Trade debtors	312,126	371,697
Amounts owed by group undertakings	1,300,386	1,233,341
Other debtors	101,920	71,465
Prepayments and accrued income	74,695	65,596
	<u>1,789,127</u>	<u>1,742,099</u>

7. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>357,600</u>	<u>199,670</u>

8. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	219,505	170,742
Amounts owed to group undertakings	959,683	1,005,987
Corporation tax	33,298	14,305
Other taxation and social security	109,425	81,999
Other creditors	1,189	1,594
Accruals and deferred income	101,870	94,858
	<u>1,424,970</u>	<u>1,369,485</u>

PACKCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Deferred taxation

	2021 £
At beginning of year	(18,242)
Credited to profit and loss	12,689
At end of year	<u><u>(5,553)</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(5,553)	(18,242)
	<u><u>(5,553)</u></u>	<u><u>(18,242)</u></u>

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2,500 (2020 - 2,500) Ordinary shares of £1.00 each	<u><u>2,500</u></u>	<u><u>2,500</u></u>

11. Reserves**Share premium account**

The share premium account comprises consideration paid in excess of the par value of shares issued.

Profit & loss account

The profit and loss account comprises all current and prior period retained profits and losses less any dividends declared.

12. Contingent liabilities

The company is party to an unlimited inter-company composite guarantee in favour of National Westminster Bank plc in respect of finance facilities granted to all companies in the WasteCare group of companies. The aggregate outstanding commitment under these facilities at 31 March 2021 amounted to £11,442,677 (2020: £NIL). the guarantee is supported by a fixed and floating charge over the company's assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Pension commitments

The Company operates a defined contribution plan for all employees of the Company. Contributions made into this plan are paid by the Company at rates specified in the rules of the schemes. The total amount recognised in profit and loss during the year was £12,800 (2020: £14,433).

14. Related party transactions

The Company is a wholly-owned subsidiary of WasteCare Group Limited and has taken advantage of the exemption in Section 33 Related Party Disclosures - not to provide details of transactions entered into with other group companies.

15. Controlling party

The Company's immediate and ultimate parent is WasteCare Group Limited, a company incorporated in England and Wales. The registered office of Wastecare Group Limited is Richmond House, Selby Road, Leeds, LS25 1NB.

The Company is ultimately controlled by P T Hunt, by virtue of his majority shareholding.

Consolidated financial statements are prepared by WasteCare Group Limited. The consolidated financial statements of WasteCare Group Limited may be obtained from the companies registered office, Richmond House, Selby Road, Garforth, Leeds, LS25 1NB.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2021 was unqualified.

The audit report was signed on Dec 23, 2021 by Ashley Barraclough (Senior Statutory Auditor) on behalf of Mazars LLP.