

COMPANY REGISTRATION NUMBER 1169515

Glass Recycling (UK) Limited
Financial statements
30 September 2012



HARRISACCOUNTS LLP
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Glass Recycling (UK) Limited

Financial statements

Year ended 30 September 2012

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Glass Recycling (UK) Limited

The directors' report

Year ended 30 September 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 September 2012

Principal activities and business review

The company's principal activity continues to be the recovery and treatment of waste products

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year-end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

Sales have increased by £484,933 (4.2%) to £12,066,899, whilst gross profit has increased by £827,223, a result of a mixture of new and emerging markets that the company has identified to trade within, the reducing cost to purchase mixed waste materials and the improvement in the PRN market place. Consequently, profit before tax increased by £1,616,547, and after taxation, £3,451,676 has been retained to be added to reserves (2011: £2,183,955).

The company continues to research and invest in new methods of recovery of waste products, reflecting increasing environmental concerns and legislation surrounding waste products and recycling. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Results and dividends

The profit for the year, after taxation, amounted to £3,451,676. The directors have not recommended a dividend.

Glass Recycling (UK) Limited

The directors' report *(continued)*

Year ended 30 September 2012

Financial instruments

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The board of directors is responsible for monitoring financial risk and for deciding where it would be appropriate to use financial instruments to manage this risk.

Exchange rate risk

As the company has minimal transactions in foreign currency, it is not significantly exposed to exchange rate risk.

Price risk

The company has no exposure to equity securities price risk, as it holds no listed or equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company actively maintains sufficient cash and bank balances to ensure that the company has sufficient available funds for operations and any planned expansions.

Interest rate cashflow risk

The company has interest bearing assets, comprising cash and bank balances which earn interest at variable rates. The board of directors regularly review the mix of cash, overdraft and debt to manage interest rate risk.

Directors

The directors who served the company during the year were as follows:

Mr T Sykes

Mr M Durr

Directors' responsibilities

The directors are responsible for preparing the Directors' 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 year.

In preparing those 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,

Glass Recycling (UK) Limited

The directors' report *(continued)*

Year ended 30 September 2012

- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Harrisaccounts LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors



Mr M Durr
Director

Approved by the directors on 31 May 2013

Glass Recycling (UK) Limited

Independent auditor's report to the shareholders of Glass Recycling (UK) Limited

Year ended 30 September 2012

We have audited the financial statements of Glass Recycling (UK) Limited for the year ended 30 September 2012 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Glass Recycling (UK) Limited

Independent auditor's report to the shareholders of Glass Recycling (UK) Limited *(continued)*

Year ended 30 September 2012

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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

Harrisaccounts LLP

PAUL HINCHLIFFE BA FCA (Senior Statutory Auditor)

For and on behalf of

HARRISACCOUNTS LLP

Chartered Accountants & Statutory Auditor

Marland House

13 Huddersfield Road

Barnsley

South Yorkshire

S70 2LW

Date *4 June 2013*

Glass Recycling (UK) Limited

Profit and loss account

Year ended 30 September 2012

	Note	2012 £	2011 £
Turnover	2	12,066,899	11,581,966
Cost of sales		(6,010,208)	(6,352,498)
Gross profit		<u>6,056,691</u>	<u>5,229,468</u>
Administrative expenses		(1,617,542)	(2,419,000)
Other operating income	3	4,800	4,800
Operating profit	4	<u>4,443,949</u>	<u>2,815,268</u>
Interest receivable		162,526	174,660
Profit on ordinary activities before taxation		<u>4,606,475</u>	<u>2,989,928</u>
Tax on profit on ordinary activities	7	(1,154,799)	(805,973)
Profit for the financial year		<u><u>3,451,676</u></u>	<u><u>2,183,955</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 17 form part of these financial statements.

Glass Recycling (UK) Limited

Balance sheet

30 September 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	8	4,168,172	4,286,848
Current assets			
Stocks	9	8,970	8,287
Debtors	10	2,590,018	2,276,492
Cash at bank		11,834,395	10,728,795
		<u>14,433,383</u>	<u>13,013,574</u>
Creditors: Amounts falling due within one year	11	<u>4,882,536</u>	<u>6,115,318</u>
Net current assets		9,550,847	6,898,256
Total assets less current liabilities		13,719,019	11,185,104
Provisions for liabilities			
Deferred taxation	12	2,662	20,423
Other provisions	13	—	900,000
		<u>13,716,357</u>	<u>10,264,681</u>
Capital and reserves			
Called-up equity share capital	16	102	102
Profit and loss account	17	13,716,255	10,264,579
Shareholders' funds	18	13,716,357	10,264,681

These financial statements were approved by the directors and authorised for issue on 31 May 2013, and are signed on their behalf by



Mr M Durr
Director

Company Registration Number 1169515

The notes on pages 9 to 17 form part of these financial statements

Glass Recycling (UK) Limited

Cash flow statement

Year ended 30 September 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	19	2,438,081	5,465,760
Returns on investments and servicing of finance	19	162,526	174,660
Taxation	19	(1,232,676)	(136,359)
Capital expenditure and financial investment	19	(262,331)	(697,057)
Increase in cash	19	<u>1,105,600</u>	<u>4,807,004</u>

The notes on pages 9 to 17 form part of these financial statements

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents amounts earned on goods and services provided during the year and derives from the provision of goods falling within the company's ordinary activities

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- straight line over 50 years
Plant & Machinery	- 3 years straight line
Fixtures & Fittings	- 7 years straight line
Motor Vehicles	- 5 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Pension costs

The pension costs charged in the financial statements represent the contribution payable by the company during the year. The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

1. Accounting policies *(continued)*

Business benefit trusts and employee benefit trusts

Assets and liabilities held by a Business Benefit Trust and Employee Benefit Trust are recognised as assets and liabilities of the company. Assets held by the trustees cease to be recognised as an asset of the company when they vest unconditionally in identified beneficiaries.

Major plant spares

The costs of major plant spares are charged to cost of sales as purchased.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	2012 £	2011 £
United Kingdom	<u>12,066,899</u>	<u>11,581,966</u>

3. Other operating income

	2012 £	2011 £
Rent receivable	<u>4,800</u>	<u>4,800</u>

4. Operating profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of owned fixed assets	468,297	279,840
Profit on disposal of fixed assets	(87,290)	(2,980)
Auditor's remuneration - audit of the financial statements	13,500	13,500
Auditor's remuneration - other fees	<u>7,594</u>	<u>10,404</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

	2012 £	2011 £
Auditor's remuneration - audit of the financial statements	<u>13,500</u>	<u>13,500</u>
Auditor's remuneration - other fees		
- Taxation services	950	950
- Other	<u>6,644</u>	<u>9,454</u>
	<u>7,594</u>	<u>10,404</u>

5. Particulars of employees

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

	2012 No	2011 No
Production staff	51	55
Administrative staff and directors	<u>10</u>	<u>10</u>
	<u>61</u>	<u>65</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	1,579,571	2,529,152
Social security costs	<u>156,202</u>	<u>165,207</u>
	<u>1,735,773</u>	<u>2,694,359</u>

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	<u>141,397</u>	<u>141,396</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	1,172,560	783,046
Over/under provision in prior year	-	2,504
Total current tax	<u>1,172,560</u>	<u>785,550</u>
Deferred tax		
Origination and reversal of timing differences (note 12)		
Capital allowances	(17,761)	20,423
Tax on profit on ordinary activities	<u>1,154,799</u>	<u>805,973</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24% (2011 - 27%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>4,606,475</u>	<u>2,989,928</u>
Profit on ordinary activities by rate of tax	1,105,554	807,281
Depreciation in excess of capital allowances	20,104	(24,185)
Adjustment to prior year tax charge	-	2,504
Tax chargeable at higher rate	46,902	(50)
Total current tax (note 7(a))	<u>1,172,560</u>	<u>785,550</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 October 2011	3,777,460	6,239,380	315,989	2,295,661	12,628,490
Additions	9,966	237,290	30,975	71,600	349,831
Disposals	—	—	—	(738,955)	(738,955)
At 30 September 2012	3,787,426	6,476,670	346,964	1,628,306	12,239,366
Depreciation					
At 1 October 2011	348,875	5,529,507	310,490	2,152,770	8,341,642
Charge for the year	47,451	340,330	4,653	75,863	468,297
On disposals	—	—	—	(738,745)	(738,745)
At 30 September 2012	396,326	5,869,837	315,143	1,489,888	8,071,194
Net book value					
At 30 September 2012	3,391,100	606,833	31,821	138,418	4,168,172
At 30 September 2011	3,428,585	709,873	5,499	142,891	4,286,848

9. Stocks

	2012 £	2011 £
Raw materials	8,970	8,287

10. Debtors

	2012 £	2011 £
Trade debtors	1,968,085	1,678,596
Other debtors	420,000	475,000
Prepayments and accrued income	201,933	122,896
	2,590,018	2,276,492

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Other debtors	355,000	415,000

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

11. Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,062,208	2,096,635
Taxation and social security	1,225,893	1,325,394
Other creditors	2,503,900	2,513,900
Accruals and deferred income	90,535	179,389
	<u>4,882,536</u>	<u>6,115,318</u>

12. Deferred taxation

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	20,423	-
Profit and loss account movement arising during the year	(17,761)	20,423
Provision carried forward	<u>2,662</u>	<u>20,423</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	2,662	20,423
	<u>2,662</u>	<u>20,423</u>

13. Other provisions

	2012 £
Provisions for liabilities and charges:	
Balance brought forward	900,000
Movement for year	(900,000)
	<u>-</u>

The company made a provision in 2011 of £900,000 in accordance with FRS12, for benefits relating to that year and which were paid to employees during this current year and within 9 months after the year-ended 30 September 2011

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

14. Related party transactions

The directors consider the following to be related parties

Mr T Sykes, who is a director and controlling shareholder of the company.

Mr M Durr, who is a director of the company

Glass Recycling (UK) Limited Retirement Benefit Scheme, of which Mr T Sykes is a trustee

At the balance sheet date, the company owed Glass Recycling (UK) Limited Retirement Benefit Scheme £2,503,900 (2011 £2,513,900).

15. Controlling interest

The company is under the ultimate control of Mr T Sykes

16. Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
5,100 Ordinary shares of £0.02 each	<u>5,100</u>	<u>102</u>	<u>5,100</u>	<u>102</u>

17. Profit and loss account

	2012 £	2011 £
Balance brought forward	10,264,579	8,080,624
Profit for the financial year	<u>3,451,676</u>	<u>2,183,955</u>
Balance carried forward	<u>13,716,255</u>	<u>10,264,579</u>

18. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	3,451,676	2,183,955
Opening shareholders' funds	<u>10,264,681</u>	<u>8,080,726</u>
Closing shareholders' funds	<u>13,716,357</u>	<u>10,264,681</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

19. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	4,443,949	2,815,268
Depreciation	468,297	279,840
Profit on disposal of fixed assets	(87,290)	(2,980)
(Increase)/decrease in stocks	(683)	34,028
(Increase)/decrease in debtors	(313,526)	630,574
(Decrease)/increase in creditors	(1,172,666)	809,030
(Decrease)/increase in provisions	(900,000)	900,000
Net cash inflow from operating activities	<u>2,438,081</u>	<u>5,465,760</u>

Returns on investments and servicing of finance

	2012 £	2011 £
Interest received	<u>162,526</u>	<u>174,660</u>
Net cash inflow from returns on investments and servicing of finance	<u>162,526</u>	<u>174,660</u>

Taxation

	2012 £	2011 £
Taxation	<u>(1,232,676)</u>	<u>(136,359)</u>

Capital expenditure

	2012 £	2011 £
Payments to acquire tangible fixed assets	(349,831)	(700,057)
Receipts from sale of fixed assets	<u>87,500</u>	<u>3,000</u>
Net cash outflow from capital expenditure	<u>(262,331)</u>	<u>(697,057)</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2012

19. Notes to the cash flow statement *(continued)*

Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
Increase in cash in the period	<u>1,105,600</u>	<u>4,807,004</u>
Movement in net funds in the period	<u>1,105,600</u>	<u>4,807,004</u>
Net funds at 1 October 2011	<u>10,728,795</u>	<u>5,921,791</u>
Net funds at 30 September 2012	<u>11,834,395</u>	<u>10,728,795</u>

Analysis of changes in net funds

	At 1 Oct 2011 £	Cash flows £	At 30 Sep 2012 £
Net cash:			
Cash in hand and at bank	<u>10,728,795</u>	<u>1,105,600</u>	<u>11,834,395</u>
Net funds	<u>10,728,795</u>	<u>1,105,600</u>	<u>11,834,395</u>

Glass Recycling (UK) Limited

Management information

Year ended 30 September 2012

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

Glass Recycling (UK) Limited

Detailed profit and loss account

Year ended 30 September 2012

	2012	2011
	£	£
Turnover	12,066,899	11,581,966
Cost of sales		
Opening stock	(8,287)	(42,315)
Purchases	(2,501,486)	(2,553,777)
Tipping costs	(268,837)	(1,171)
Wages and salaries	(1,194,987)	(1,248,313)
Employers national insurance contributions	(113,205)	(123,205)
Agency staff	(7,841)	(35,204)
Motor and plant upkeep	(1,924,535)	(2,356,800)
	<u>(6,019,178)</u>	<u>(6,360,785)</u>
Closing stock	<u>8,970</u>	<u>8,287</u>
	<u>(6,010,208)</u>	<u>(6,352,498)</u>
Gross profit	6,056,691	5,229,468
Overheads		
Administrative expenses	(1,617,542)	(2,419,000)
	<u>4,439,149</u>	<u>2,810,468</u>
Other operating income		
Rent receivable	<u>4,800</u>	<u>4,800</u>
Operating profit	4,443,949	2,815,268
Bank interest receivable	<u>162,526</u>	<u>174,660</u>
Profit on ordinary activities	<u>4,606,475</u>	<u>2,989,928</u>

Glass Recycling (UK) Limited

Notes to the detailed profit and loss account

Year ended 30 September 2012

	£	2012 £	£	2011 £
Administrative expenses				
Personnel costs				
Directors salaries	141,307		141,306	
Administrative staff salaries	243,277		1,139,533	
Employers national insurance contributions	42,997		42,002	
		427,581		1,322,841
Establishment expenses				
Rent and rates	76,468		66,221	
Light and heat	297,770		214,806	
Insurance	122,065		127,861	
Repairs and maintenance (allowable)	166,415		196,276	
		662,718		605,164
General expenses				
Telephone	16,630		15,626	
Hire of equipment	20,114		7,003	
Printing, stationery and postage	29,314		29,899	
Advertising	648		1,274	
General expenses	8,908		8,839	
Legal and professional fees	21,207		100,854	
Accountancy fees	23,070		20,919	
Auditors remuneration	21,094		23,904	
Depreciation of freehold property	47,451		46,751	
Depreciation of plant and machinery	340,330		138,215	
Depreciation of fixtures and fittings	4,653		6,251	
Depreciation of motor vehicles	75,863		88,623	
Profit on disposal of fixed assets	(87,290)		(2,980)	
		521,992		485,178
Financial costs				
Bank charges		5,251		5,817
		1,617,542		2,419,000
Interest receivable				
Bank interest receivable		162,526		174,660