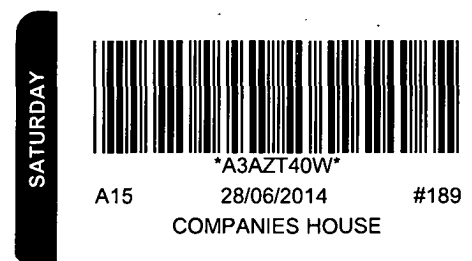


**Glass Recycling (UK) Limited**  
**Financial statements**  
**30 September 2013**



**HARRIS & CO LIMITED**  
Chartered Accountants & Statutory Auditor  
Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

# **Glass Recycling (UK) Limited**

## **Financial statements**

**Year ended 30 September 2013**

<b>Contents</b>	<b>Pages</b>
Strategic report	<b>1 to 2</b>
Directors' report	<b>3 to 4</b>
Independent auditor's report to the shareholders	<b>5 to 6</b>
Profit and loss account	<b>7</b>
Balance sheet	<b>8</b>
Cash flow statement	<b>9</b>
Notes to the financial statements	<b>10 to 17</b>
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	<b>19</b>
Notes to the detailed profit and loss account	<b>20</b>

# **Glass Recycling (UK) Limited**

## **Strategic report**

**Year ended 30 September 2013**

### **Business overview**

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

### **Markets, performance, objectives and strategy**

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 £8,098,194 (67.1%) to £20,165,093, whilst gross profit has increased by £2,346,597, a result of a mixture of new and emerging markets that the company has identified to trade with and the improvement in the Package Recycling Note ("PRN") market place. Consequently, profit before tax increased by £1,901,577, and after taxation £4,973,508 has been retained to be added to reserves (2012 : £3,451,676).

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.

### **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*

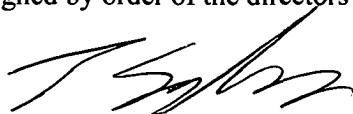
The company has interest bearing assets, comprising cash and bank balances which earn interest at variable rates. The board of directors regularly review the mix of cash, overdraft and debt to manage interest rate risk.

# **Glass Recycling (UK) Limited**

## **Strategic report** *(continued)*

**Year ended 30 September 2013**

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'T Sykes', written over a horizontal line.

Mr T Sykes  
Director

Approved by the directors on 25 June 2014

# **Glass Recycling (UK) Limited**

## **Directors' report**

### **Year ended 30 September 2013**

The directors present their report and the financial statements of the company for the year ended 30 September 2013.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £4,973,508. The directors have not recommended a dividend.

#### **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 Strategic Report, 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 these financial statements, the directors are required to:

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

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

# Glass Recycling (UK) Limited

## Directors' report *(continued)*

**Year ended 30 September 2013**

### **Auditor**

On 5 April 2014 Harrisaccounts LLP, the then auditors of the company, transferred its business, trade, assets and clients to Harris & Co Limited. Harrisaccounts LLP resigned as auditors and Harris & Co Limited were appointed new auditors of the company and are deemed to be re-appointed under section 487 (2) of the Companies Act 2006. On the resignation of Harrisaccounts LLP there were no circumstances connected with them ceasing to hold office that should be brought to the attention of the company's members or creditors.

Each of the persons who is a director at the date of approval of this report confirm that:

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

Signed by order of the directors



Mr T Sykes  
Director

Approved by the directors on 25 June 2014

# **Glass Recycling (UK) Limited**

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

**Year ended 30 September 2013**

We have audited the financial statements of Glass Recycling (UK) Limited for the year ended 30 September 2013 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 page 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and 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 2013**

### **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.

*Harris & Co Limited*

PAUL HINCHLIFEE BA FCA (Senior Statutory Auditor)

For and on behalf of

HARRIS & CO LIMITED

Chartered Accountants & Statutory Auditor

Marland House

13 Huddersfield Road

Barnsley

South Yorkshire

S70 2LW

Date *26 June 2014* .....



# Glass Recycling (UK) Limited

## Profit and loss account

Year ended 30 September 2013

	Note	2013 £	2012 £
<b>Turnover</b>	2	20,165,093	12,066,899
Cost of sales		(11,761,805)	(6,010,208)
<b>Gross profit</b>		<u>8,403,288</u>	<u>6,056,691</u>
Administrative expenses		(2,080,622)	(1,617,542)
Other operating income	3	4,800	4,800
<b>Operating profit</b>	4	<u>6,327,466</u>	<u>4,443,949</u>
Interest receivable		180,586	162,526
<b>Profit on ordinary activities before taxation</b>		<u>6,508,052</u>	<u>4,606,475</u>
Tax on profit on ordinary activities	7	(1,534,544)	(1,154,799)
<b>Profit for the financial year</b>		<u><u>4,973,508</u></u>	<u><u>3,451,676</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 10 to 17 form part of these financial statements.

# Glass Recycling (UK) Limited

## Balance sheet

30 September 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	8		6,430,517		4,168,172
<b>Current assets</b>					
Stocks	9	10,800		8,970	
Debtors	10	4,188,147		2,590,018	
Cash at bank		13,137,077		11,834,395	
		17,336,024		14,433,383	
<b>Creditors: Amounts falling due within one year</b>	11	4,981,971		4,882,536	
<b>Net current assets</b>			12,354,053		9,550,847
<b>Total assets less current liabilities</b>			18,784,570		13,719,019
<b>Provisions for liabilities</b>					
Deferred taxation	12		94,705		2,662
			18,689,865		13,716,357
<b>Capital and reserves</b>					
Called-up equity share capital	15		102		102
Profit and loss account	16		18,689,763		13,716,255
<b>Shareholders' funds</b>	17		18,689,865		13,716,357

These accounts were approved by the directors and authorised for issue on 25 June 2014, and are signed on their behalf by:



Mr T Sykes  
Director

Company Registration Number: 1169515

The notes on pages 10 to 17 form part of these financial statements.

# **Glass Recycling (UK) Limited**

## **Cash flow statement**

**Year ended 30 September 2013**

	Note	£	2013 £	£	2012 £
<b>Net cash inflow from operating activities</b>	<b>18</b>		<b>5,387,928</b>		<b>2,438,081</b>
<b>Returns on investments and servicing of finance</b>	<b>18</b>		<b>180,586</b>		<b>162,526</b>
<b>Taxation</b>	<b>18</b>		<b>(1,543,689)</b>		<b>(1,232,676)</b>
<b>Capital expenditure and financial investment</b>	<b>18</b>		<b>(2,722,143)</b>		<b>(262,331)</b>
<b>Increase in cash</b>	<b>18</b>		<b><u>1,302,682</u></b>		<b><u>1,105,600</u></b>

The notes on pages 10 to 17 form part of these financial statements.

# **Glass Recycling (UK) Limited**

## **Notes to the financial statements**

**Year ended 30 September 2013**

### **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 2013

### 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:

	2013 £	2012 £
United Kingdom	<u>20,165,093</u>	<u>12,066,899</u>

### 3. Other operating income

	2013 £	2012 £
Rent receivable	<u>4,800</u>	<u>4,800</u>

### 4. Operating profit

Operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of owned fixed assets	459,798	468,297
Profit on disposal of fixed assets	—	(87,290)
Auditor's remuneration - audit of the financial statements	13,500	13,500
Auditor's remuneration - other fees	<u>9,860</u>	<u>7,594</u>

# Glass Recycling (UK) Limited

## Notes to the financial statements

Year ended 30 September 2013

	2013 £	2012 £
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>8,910</u>	<u>6,644</u>
	<u>9,860</u>	<u>7,594</u>

### 5. Particulars of employees

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

	2013 No	2012 No
Production staff	50	51
Administrative staff and directors	<u>10</u>	<u>10</u>
	<u>60</u>	<u>61</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	1,520,576	1,579,571
Social security costs	<u>149,822</u>	<u>156,202</u>
	<u>1,670,398</u>	<u>1,735,773</u>

### 6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2013 £	2012 £
Remuneration receivable	<u>144,114</u>	<u>141,397</u>

# Glass Recycling (UK) Limited

## Notes to the financial statements

Year ended 30 September 2013

### 7. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	1,444,242	1,172,560
Over/under provision in prior year	(1,741)	-
Total current tax	<u>1,442,501</u>	<u>1,172,560</u>
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	92,043	(17,761)
Tax on profit on ordinary activities	<u>1,534,544</u>	<u>1,154,799</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 23% (2012 - 24%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>6,508,052</u>	<u>4,606,475</u>
Profit on ordinary activities by rate of tax	1,496,852	1,105,554
Capital allowances in excess of depreciation	(83,256)	20,104
Adjustment to prior year tax charge	(1,741)	-
Tax chargeable at higher rate	30,646	46,902
Total current tax (note 7(a))	<u>1,442,501</u>	<u>1,172,560</u>

# Glass Recycling (UK) Limited

## Notes to the financial statements

Year ended 30 September 2013

### 8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 October 2012	3,787,426	6,476,670	346,964	1,628,306	12,239,366
Additions	38,714	2,495,767	67,662	120,000	2,722,143
<b>At 30 September 2013</b>	<b><u>3,826,140</u></b>	<b><u>8,972,437</u></b>	<b><u>414,626</u></b>	<b><u>1,748,306</u></b>	<b><u>14,961,509</u></b>
<b>Depreciation</b>					
At 1 October 2012	396,326	5,869,837	315,143	1,489,888	8,071,194
Charge for the year	48,225	349,572	20,471	41,530	459,798
<b>At 30 September 2013</b>	<b><u>444,551</u></b>	<b><u>6,219,409</u></b>	<b><u>335,614</u></b>	<b><u>1,531,418</u></b>	<b><u>8,530,992</u></b>
<b>Net book value</b>					
<b>At 30 September 2013</b>	<b><u>3,381,589</u></b>	<b><u>2,753,028</u></b>	<b><u>79,012</u></b>	<b><u>216,888</u></b>	<b><u>6,430,517</u></b>
At 30 September 2012	<u>3,391,100</u>	<u>606,833</u>	<u>31,821</u>	<u>138,418</u>	<u>4,168,172</u>

### 9. Stocks

	2013 £	2012 £
Raw materials	<u>10,800</u>	<u>8,970</u>

### 10. Debtors

	2013 £	2012 £
Trade debtors	3,419,718	1,968,085
VAT recoverable	264,145	—
Other debtors	365,000	420,000
Prepayments and accrued income	139,284	201,933
	<u>4,188,147</u>	<u>2,590,018</u>

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

	2013 £	2012 £
Other debtors	<u>—</u>	<u>355,000</u>



# Glass Recycling (UK) Limited

## Notes to the financial statements

Year ended 30 September 2013

### 11. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	3,789,857	1,062,208
Corporation tax	621,742	722,930
PAYE and social security	237,694	249,877
VAT	—	253,086
Other creditors	—	2,503,900
Accruals and deferred income	332,678	90,535
	<u>4,981,971</u>	<u>4,882,536</u>

### 12. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2013 £	2012 £
Provision brought forward	2,662	20,423
Profit and loss account movement arising during the year	92,043	(17,761)
Provision carried forward	<u>94,705</u>	<u>2,662</u>

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

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	94,705	2,662
	<u>94,705</u>	<u>2,662</u>

### 13. 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 £nil (2012 : £2,503,900).

# Glass Recycling (UK) Limited

## Notes to the financial statements

Year ended 30 September 2013

### 14. Controlling interest

The company is under the ultimate control of Mr T Sykes.

### 15. Share capital

**Allotted, called up and fully paid:**

	2013		2012	
	No	£	No	£
Ordinary shares of £0.02 each	<u>5,100</u>	<u>102</u>	<u>5,100</u>	<u>102</u>

### 16. Profit and loss account

	2013 £	2012 £
Balance brought forward	13,716,255	10,264,579
Profit for the financial year	<u>4,973,508</u>	<u>3,451,676</u>
Balance carried forward	<u>18,689,763</u>	<u>13,716,255</u>

### 17. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	4,973,508	3,451,676
Opening shareholders' funds	<u>13,716,357</u>	<u>10,264,681</u>
Closing shareholders' funds	<u>18,689,865</u>	<u>13,716,357</u>

### 18. Notes to the cash flow statement

**Reconciliation of operating profit to net cash inflow from operating activities**

	2013 £	2012 £
Operating profit	6,327,466	4,443,949
Depreciation	459,798	468,297
Profit on disposal of fixed assets	–	(87,290)
Increase in stocks	(1,830)	(683)
Increase in debtors	(1,598,129)	(313,526)
Increase/(decrease) in creditors	200,623	(1,172,666)
Decrease in provisions	–	(900,000)
Net cash inflow from operating activities	<u>5,387,928</u>	<u>2,438,081</u>

# Glass Recycling (UK) Limited

## Notes to the financial statements

Year ended 30 September 2013

### 18. Notes to the cash flow statement *(continued)*

#### Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	<u>180,586</u>	<u>162,526</u>
Net cash inflow from returns on investments and servicing of finance	<u>180,586</u>	<u>162,526</u>

#### Taxation

	2013 £	2012 £
Taxation	<u>(1,543,689)</u>	<u>(1,232,676)</u>

#### Capital expenditure

	2013 £	2012 £
Payments to acquire tangible fixed assets	(2,722,143)	(349,831)
Receipts from sale of fixed assets	–	87,500
Net cash outflow from capital expenditure	<u>(2,722,143)</u>	<u>(262,331)</u>

#### Reconciliation of net cash flow to movement in net funds

	2013 £	2012 £
Increase in cash in the period	<u>1,302,682</u>	<u>1,105,600</u>
Movement in net funds in the period	<u>1,302,682</u>	<u>1,105,600</u>
Net funds at 1 October 2012	11,834,395	10,728,795
Net funds at 30 September 2013	<u>13,137,077</u>	<u>11,834,395</u>

#### Analysis of changes in net funds

	At 1 Oct 2012 £	Cash flows £	At 30 Sep 2013 £
Net cash:			
Cash in hand and at bank	11,834,395	1,302,682	13,137,077
Net funds	<u>11,834,395</u>	<u>1,302,682</u>	<u>13,137,077</u>