

COMPANY REGISTRATION NUMBER 1169515

Glass Recycling (UK) Limited
Financial statements
30 September 2014

HARRIS & CO LIMITED

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

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Glass Recycling (UK) Limited

Financial statements

Year ended 30 September 2014

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Glass Recycling (UK) Limited

Officers and professional advisers

The board of directors

Mr T Sykes
Mr M Durr

Company secretary

Mr T Sykes

Registered office

418 Carlton Road
Carlton
Barnsley
South Yorkshire
S71 3HX

Auditor

Harris & Co Limited
Chartered Accountants
& Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Bankers

National Westminster Bank plc
26 Market Hill
Barnsley
South Yorkshire
S70 2QU

Bank of Scotland plc
116 Wellington Street
Leeds
West Yorkshire
LS1 4LT

Glass Recycling (UK) Limited

Strategic report

Year ended 30 September 2014

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 decreased by £3,650,671 (18.1%) to £16,514,422, whilst gross profit has decreased by £1,891,977, a result of a decline in the volatile Package Recycling Note ("PRN") market place. Consequently, profit before tax decreased by £2,952,502, and after taxation £2,554,207 has been retained to be added to reserves (2013 : £4,973,508).

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.

Glass Recycling (UK) Limited

Strategic report *(continued)*

Year ended 30 September 2014

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.

Signed on behalf of the directors



Mr T Sykes
Director

Approved by the directors on 25 June 2015

Glass Recycling (UK) Limited

Directors' report

Year ended 30 September 2014

The directors present their report and the financial statements of the company for the year ended 30 September 2014.

Results and dividends

The profit for the year, after taxation, amounted to £2,554,207. 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 2014

Auditor

Harris & Co Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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 on behalf of the directors



Mr T Sykes
Director

Approved by the directors on 25 June 2015

Glass Recycling (UK) Limited

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

Year ended 30 September 2014

We have audited the financial statements of Glass Recycling (UK) Limited for the year ended 30 September 2014 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 4, 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 2014 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 2014

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.

Paul Hinchliffe

PAUL HINCHLIFFE 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 *25 June 2015*

Glass Recycling (UK) Limited

Profit and loss account

Year ended 30 September 2014

	Note	2014 £	2013 £
Turnover	2	16,514,422	20,165,093
Cost of sales		(10,003,111)	(11,761,805)
Gross profit		<u>6,511,311</u>	<u>8,403,288</u>
Administrative expenses		(3,062,781)	(2,080,622)
Other operating income	3	4,000	4,800
Operating profit	4	<u>3,452,530</u>	<u>6,327,466</u>
Interest receivable		103,020	180,586
Profit on ordinary activities before taxation		<u>3,555,550</u>	<u>6,508,052</u>
Tax on profit on ordinary activities	7	(1,001,343)	(1,534,544)
Profit for the financial year		<u><u>2,554,207</u></u>	<u><u>4,973,508</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 11 to 19 form part of these financial statements.

Glass Recycling (UK) Limited

Balance sheet

30 September 2014

	Note	£	2014 £	2013 £
Fixed assets				
Tangible assets	8		<u>6,334,778</u>	<u>6,430,517</u>
Current assets				
Stocks	9	15,410		10,800
Debtors	10	2,552,052		4,188,147
Cash at bank		<u>15,311,978</u>		<u>13,137,077</u>
		17,879,440		17,336,024
Creditors: Amounts falling due within one year	11	<u>2,801,720</u>		<u>4,981,971</u>
Net current assets			<u>15,077,720</u>	<u>12,354,053</u>
Total assets less current liabilities			<u>21,412,498</u>	<u>18,784,570</u>
Provisions for liabilities				
Deferred taxation	12		168,426	94,705
			<u>21,244,072</u>	<u>18,689,865</u>
Capital and reserves				
Called-up equity share capital	15		102	102
Profit and loss account	16		21,243,970	18,689,763
Shareholders' funds	17		<u>21,244,072</u>	<u>18,689,865</u>

These accounts were approved by the directors and authorised for issue on 25 June 2015, and are signed on their behalf by:



Mr T Sykes
Director

Company Registration Number: 1169515

The notes on pages 11 to 19 form part of these financial statements.

Glass Recycling (UK) Limited

Cash flow statement

Year ended 30 September 2014

	Note	£	2014 £	2013 £
Net cash inflow from operating activities	18		4,626,961	5,387,928
Returns on investments and servicing of finance	18		103,020	180,586
Taxation	18		(1,403,135)	(1,543,689)
Capital expenditure and financial investment	18		(1,151,945)	(2,722,143)
Increase in cash	18		<u>2,174,901</u>	<u>1,302,682</u>

The notes on pages 11 to 19 form part of these financial statements.

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

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

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

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:

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

1. Accounting policies *(continued)*

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.

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:

	2014 £	2013 £
United Kingdom	<u>16,514,422</u>	<u>20,165,093</u>

3. Other operating income

	2014 £	2013 £
Rent receivable	<u>4,000</u>	<u>4,800</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

4. Operating profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of owned fixed assets	1,252,414	459,798
Profit on disposal of fixed assets	(4,730)	–
Auditor's remuneration - audit of the financial statements	13,500	13,500
Auditor's remuneration - other fees	<u>15,431</u>	<u>9,860</u>
	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>13,500</u>	<u>13,500</u>
Auditor's remuneration - other fees:		
- Taxation services	1,050	950
- Other	<u>14,381</u>	<u>8,910</u>
	<u>15,431</u>	<u>9,860</u>

5. Particulars of employees

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

	2014 No	2013 No
Production staff	53	50
Administrative staff and directors	<u>10</u>	<u>10</u>
	<u>63</u>	<u>60</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	1,534,093	1,520,576
Social security costs	<u>144,998</u>	<u>149,822</u>
	<u>1,679,091</u>	<u>1,670,398</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

6. Directors' remuneration

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

	2014 £	2013 £
Remuneration receivable	<u>141,397</u>	<u>144,114</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	927,622	1,444,242
Over/under provision in prior year	-	(1,741)
Total current tax	<u>927,622</u>	<u>1,442,501</u>
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	73,721	92,043
Tax on profit on ordinary activities	<u>1,001,343</u>	<u>1,534,544</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2013 - 23%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>3,555,550</u>	<u>6,508,052</u>
Profit on ordinary activities by rate of tax	746,666	1,496,852
Depreciation in excess of capital allowances	136,282	(83,256)
Adjustment to prior year tax charge	-	(1,741)
Tax chargeable at higher rate	44,674	30,646
Total current tax (note 7(a))	<u>927,622</u>	<u>1,442,501</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

8. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Investment property £	Total £
Cost						
At 1 Oct 2013	3,826,140	8,972,437	414,626	1,748,306	–	14,961,509
Additions	10,748	–	11,834	93,153	1,040,960	1,156,695
Disposals	–	–	–	(33,567)	–	(33,567)
At 30 Sep 2014	3,836,888	8,972,437	426,460	1,807,892	1,040,960	16,084,637
Depreciation						
At 1 Oct 2013	444,551	6,219,409	335,614	1,531,418	–	8,530,992
Charge for the year	69,260	1,080,572	24,309	78,273	–	1,252,414
On disposals	–	–	–	(33,547)	–	(33,547)
At 30 Sep 2014	513,811	7,299,981	359,923	1,576,144	–	9,749,859
Net book value						
At 30 Sep 2014	3,323,077	1,672,456	66,537	231,748	1,040,960	6,334,778
At 30 Sep 2013	3,381,589	2,753,028	79,012	216,888	–	6,430,517

9. Stocks

	2014 £	2013 £
Raw materials	<u>15,410</u>	<u>10,800</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

10. Debtors

	2014 £	2013 £
Trade debtors	2,389,791	3,419,718
VAT recoverable	—	264,145
Other debtors	42,024	365,000
Prepayments and accrued income	120,237	139,284
	<u>2,552,052</u>	<u>4,188,147</u>

11. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	2,012,630	3,789,857
Corporation tax	146,229	621,742
PAYE and social security	231,096	237,694
VAT	269,888	—
Accruals and deferred income	141,877	332,678
	<u>2,801,720</u>	<u>4,981,971</u>

12. Deferred taxation

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

	2014 £	2013 £
Provision brought forward	94,705	2,662
Profit and loss account movement arising during the year	73,721	92,043
Provision carried forward	<u>168,426</u>	<u>94,705</u>

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

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	168,426	94,705
	<u>168,426</u>	<u>94,705</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

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.

There were no transactions with related parties during the year (2013: £nil) or any balances outstanding between related parties at 30th September 2014 (2013: £nil).

14. Controlling interest

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

15. Share capital

Allotted, called up and fully paid:

	2014		2013	
	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

	2014 £	2013 £
Balance brought forward	18,689,763	13,716,255
Profit for the financial year	<u>2,554,207</u>	<u>4,973,508</u>
Balance carried forward	<u>21,243,970</u>	<u>18,689,763</u>

17. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	2,554,207	4,973,508
Opening shareholders' funds	<u>18,689,865</u>	<u>13,716,357</u>
Closing shareholders' funds	<u>21,244,072</u>	<u>18,689,865</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

18. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	3,452,530	6,327,466
Depreciation	1,252,414	459,798
Profit on disposal of fixed assets	(4,730)	—
Increase in stocks	(4,610)	(1,830)
Decrease/(increase) in debtors	1,636,095	(1,598,129)
(Decrease)/increase in creditors	(1,704,738)	200,623
Net cash inflow from operating activities	<u>4,626,961</u>	<u>5,387,928</u>

Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	<u>103,020</u>	<u>180,586</u>
Net cash inflow from returns on investments and servicing of finance	<u>103,020</u>	<u>180,586</u>

Taxation

	2014 £	2013 £
Taxation	<u>(1,403,135)</u>	<u>(1,543,689)</u>

Capital expenditure

	2014 £	2013 £
Payments to acquire tangible fixed assets	(1,156,695)	(2,722,143)
Receipts from sale of fixed assets	4,750	—
Net cash outflow from capital expenditure	<u>(1,151,945)</u>	<u>(2,722,143)</u>

Glass Recycling (UK) Limited

Notes to the financial statements

Year ended 30 September 2014

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

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase in cash in the period	2,174,901	1,302,682
Movement in net funds in the period	2,174,901	1,302,682
Net funds at 1 October 2013	13,137,077	11,834,395
Net funds at 30 September 2014	15,311,978	13,137,077

Analysis of changes in net funds

	At 1 Oct 2013 £	Cash flows £	At 30 Sep 2014 £
Net cash:			
Cash in hand and at bank	13,137,077	2,174,901	15,311,978
Net funds	13,137,077	2,174,901	15,311,978