

Registered number: 03985811

THE WASTEPACK GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



THE WASTEPACK GROUP LIMITED

COMPANY INFORMATION

Directors	B P Van Danzig N S Parker L A Cullis P Van Danzig
Company secretary	L A Cullis
Registered number	03985811
Registered office	Waterloo House Unit 27, M11 Business Link Parsonage Lane Stansted Essex CM24 8GF
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors 24 Old Bond Street London W1S 4AP
Bankers	Clydesdale Bank Plc 35 Regent Street Piccadilly Circus London SW1Y 4ND
Solicitors	EMW LLP Seebeck House One Seebeck Place Milton Keynes MK5 8FR

THE WASTEPACK GROUP LIMITED

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THE WASTEPACK GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The principal business delivers environmental compliance services under the Producer Responsibility legislation, in particular Packaging, Waste Electrical and Electronic Equipment and Batteries Regulations. The company also offers other environmental consultancy and services. All of these services are targeted at UK based companies.

Business review

The Group maintained and enhanced its position as one of the UK's longest established and market leaders in providing compliance solutions to producers obligated under producer responsibility within the UK. Ensuring that all scheme members legal obligations are met effectively and efficiently. The Group has a professional but an informal and flexible approach, guiding members through the complexities of the regulations, with an aim of making compliance easy.

Turnover has decreased from £23.6m to £16.0m, a decrease of 32.2%. The decrease is primarily due to the cost of obtaining PRN/PERN evidence to meet our members obligations decreasing significantly over the previous year in most of the materials but primarily plastic and aluminium. Increased PRN prices in previous years has resulted in investment in recycling infrastructure and as a result increased capacity ensuring the UK meets its recycling targets.

The UK also saw its WEEE collection targets increase for 2021 which resulted in the UK Government setting challenging targets for 2021. This increased the targets for the Groups WEEE compliance schemes. The Group is committed to meeting its members target through a combination of direct collection arrangements with local authorities and arrangements with authorised approved treatment facilities and has increased its collections with local authorities to meet the increases in targets.

The group made an operating profit of £0.6m (2020: £1.5m) with all businesses within the group performing well.

Wastepack continues to play an active role in providing input to the UK's Government policy on producer responsibility compliance and the ongoing review of the Extended Producer Responsibility system. Government's intentions were outlined in the Resource and Waste Strategy published in December 2018 to reform producer responsibility including its plans to consult on a new system ready for new regulations in 2023. The consultation was issued during 2021 and the Government's response was published in March 2022 with new legislation being proposed for the 2024 compliance period.

THE WASTEPACK GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

Strategic

The Group's strategy is based on continued expansion of the group's activities and customer base organically and through acquisitions maintaining its market position as one of the leading compliance schemes operating in the UK within the producer responsibility regime. The Group operates a number of schemes and has a scheme registered with all the Environment agencies within the UK, including the first scheme registered with Natural Resources Wales and all have a large diverse customer base. We carry out an annual customer satisfaction survey which indicates excellent customer service is being provided with a score of over 90% being awarded again across all of our businesses.

Legislation

During March 2022 the UK Government published its response to its 2021 consultation on reforms to the Packaging Waste Regulations. Within its response it laid out how 2 key aspects of EPR would impact Wastepack. The Government confirmed that the PRN system currently used to facilitate the funding of recycling of packaging waste would continue until at least 2026/2027. It also published a consultation on how this system could be improved in the meantime. The main aspect of change is that a new UK wide scheme administrator will be created as a public body to manage payments under EPR to Local Authorities from 2024. This central body will be supported by compliance schemes who will be responsible for ensuring that producers meet their recycling targets under EPR.

EU Exit

The legislation under which the Group's compliance schemes operate has now been adopted as UK law.

As the Group operates primarily within the UK market the company considers the risks from Brexit to be minimal.

Liquidity and credit

The Group mitigates its liquidity risk by careful management of its cashflow and has robust financial procedures and policies in place. The main risk to the scheme is members who become insolvent during a compliance period and the Groups procedures and policies aim to reduce this risk. The group also has available a credit facility which provides short term liquidity.

The Group provides payment terms for its members and this gives some exposure to bad debts following a member's insolvency. The Groups policies are aimed and minimising its exposure to these circumstances

Competition

The Group competes in the Packaging, WEEE and Batteries producer responsibility compliance sector and it is important that we provide compliance at a competitive price alongside excellent customer service for all our scheme members. We continue to work closely with our members to ensure that they receive the compliance service which best benefits their business.

Performance Management and Employees

All performance management is focused on core areas of the business. Regular reviews are carried out by the Management team and the Board throughout the year to ensure that the business remains profitable whilst ensuring that the requirements under the Producer Responsibility legislations and our members are met.

The Group has a small team of employees who are all highly experienced in the compliance scheme sector. The team are essential to the ongoing success of the Group and their retention is vital to the business and the Group aims to ensure that the team feel valued and included. We provide a third-party support line offering advice on personal wellbeing and financial matters as part of our commitment to supporting mental health and wellbeing of our team.

The company maintained is accreditation to ISO:90001 and 140001.

THE WASTEPACK GROUP LIMITED
GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

Turnover has decreased by 32 % as a result of decreases in prices. The gross margin has increased by 3% but the operating profit has decreased by 60%. The administration expenses have decreased by 1% despite increasing our investment in the team, its performance and company infrastructure during the year.

The recent acquisitions continue to perform well with the acquisition of another scheme Synergy Compliance in early 2022.

The balance sheet of the group shows a net current liability position of £3.9m (£4.3m) a decrease of £0.4m from the previous year with a cash balance of £0.86m

Future Developments

The Group continued with its acquisition strategy and in March 2022 completed the purchase of Synergy Compliance. This along with the launch of its PPT service, within Wastepack to all packaging scheme members provides good growth into 2022.

With the introduction of EPR legislation in 2023 with completely new reporting requirements and regimes it is anticipated that the members of the schemes will need considerably more help in getting ready for EPR. Wastepack is developing new systems and investing in additional infrastructure and resources in order to ensure our members are EPR ready.

Cash balances remained strong during 2021 and this continues throughout 2022 enabling us to continually support our members.

Packaging compliance costs continue to be volatile during 2021 but Wastepack is confident that it will meet all of its members obligations effectively and efficiently.

The WEEE market remains pretty stable with the obligation of the schemes being met through physical collections of WEEE through Local Authorities or arrangements with retailers. A consultation, from Government, for the reform of the WEEE Regulations to accommodate EPR is expected early in 2023.

This report was approved by the board and signed on its behalf.


L A Cullis
Director

Date: 22/12/22

THE WASTEPACK GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company in the year continued to be that of a non trading holding company.

The principal activity of the group in the year continued to be that of a registered packaging material compliance schemes and recycle broker and registered compliance schemes for the Waste Electrical and Electronic Equipment regulation.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £281 thousand (2020 - £842 thousand).

Directors

The directors who served during the year were:

B P Van Danzig
N S Parker
L A Cullis
P Van Danzig

Future developments

Future developments have been covered in the Strategic Report.

THE WASTEPAK GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end other than the acquisition disclosed in note 27 of the accounts.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



L A Cullis
Director

Date: 22/12/22

THE WASTEPACK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WASTEPACK GROUP LIMITED

Opinion

We have audited the financial statements of The Wastepack Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

THE WASTEPACK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WASTEPACK GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

THE WASTEPACK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WASTEPACK GROUP LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of the Group not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified, as follows:

- Reviewing of legal fees incurred;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management including those responsible for the key regulations and
- Reviewing the key accounting policies and estimates.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE WASTEPAK GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WASTEPAK GROUP LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Howard Sears FCCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

24 Old Bond Street
London
W1S 4AP

Date: 23 December 2022

THE WASTEPAK GROUP LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover		15,977	23,590
Cost of sales		(12,680)	(19,422)
Gross profit		<u>3,297</u>	<u>4,168</u>
Administrative expenses		(2,660)	(2,700)
Other operating income	5	-	(1)
Operating profit		<u>637</u>	<u>1,467</u>
Interest payable and similar expenses	9	(119)	(126)
Profit before tax		<u>518</u>	<u>1,341</u>
Tax on profit	10	(188)	(350)
Profit after tax		<u>330</u>	<u>991</u>
Retained earnings at the beginning of the year		(3,136)	(3,978)
Profit for the year attributable to the owners of the parent		281	842
Retained earnings at the end of the year		<u>(2,855)</u>	<u>(3,136)</u>
Non-controlling interest at the beginning of the year		(417)	(566)
Profit for the year attributable to the non-controlling interest		49	149
Non-controlling interest at the end of the year		<u>(368)</u>	<u>(417)</u>

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPAK GROUP LIMITED
REGISTERED NUMBER: 03985811

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	1,100	1,121
Tangible assets	12	357	391
		<u>1,457</u>	<u>1,512</u>
Current assets			
Debtors: amounts falling due within one year	14	7,126	2,011
Cash at bank and in hand	15	1,237	3,358
		<u>8,363</u>	<u>5,369</u>
Creditors: amounts falling due within one year	16	(12,274)	(9,660)
Net current liabilities		<u>(3,911)</u>	<u>(4,291)</u>
Total assets less current liabilities		<u>(2,454)</u>	<u>(2,779)</u>
Provisions for liabilities			
Deferred taxation	20	-	(5)
		<u>-</u>	<u>(5)</u>
Net liabilities		<u>(2,454)</u>	<u>(2,784)</u>
Capital and reserves			
Called up share capital	21	12	12
Share premium account	22	757	757
Profit and loss account	22	(2,855)	(3,136)
Equity attributable to owners of the parent Company		<u>(2,086)</u>	<u>(2,367)</u>
Non-controlling interests		(368)	(417)
		<u>(2,454)</u>	<u>(2,784)</u>

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


L A Cullis
Director

Date: 22/12/22

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPACK GROUP LIMITED
REGISTERED NUMBER: 03985811

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	12	39	92
Investments	13	1,401	1,401
		<u>1,440</u>	<u>1,493</u>
Current assets			
Debtors: amounts falling due within one year	14	966	966
Creditors: amounts falling due within one year	16	(1,684)	(1,684)
Net current liabilities		<u>(718)</u>	<u>(718)</u>
Total assets less current liabilities		<u>722</u>	<u>775</u>
Net assets		<u>722</u>	<u>775</u>
Capital and reserves			
Called up share capital	21	12	12
Share premium account	22	757	757
Profit and loss account brought forward	6	(83)	(83)
Loss/(profit) for the year	(53)	89	
Profit and loss account carried forward		(47)	6
		<u>722</u>	<u>775</u>

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


L A Cullis
Director

Date: 22/12/22

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPACK GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2021	12	757	(3,136)	(2,367)	(417)	(2,784)
Comprehensive Income for the year						
Profit for the year	-	-	281	281	49	330
At 31 December 2021	12	757	(2,855)	(2,086)	(368)	(2,454)

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPACK GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2020	12	757	(3,978)	(3,209)	(566)	(3,775)
Comprehensive income for the year						
Profit for the year	-	-	842	842	149	991
At 31 December 2020	12	757	(3,136)	(2,367)	(417)	(2,784)

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPACK GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	12	757	(83)	686
Comprehensive income for the year				
Profit for the year	-	-	89	89
At 1 January 2021	12	757	6	775
Comprehensive income for the year				
Loss for the year	-	-	(53)	(53)
At 31 December 2021	12	757	(47)	722

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPAK GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the financial year	330	991
Adjustments for:		
Amortisation of intangible assets	123	446
Depreciation of tangible assets	149	101
(Profit)/loss on disposal of tangible assets	1	(99)
Interest paid	119	126
Taxation charge	188	350
(Increase)/decrease in debtors	(4,953)	3,472
Increase/(decrease) in creditors	2,084	(1,654)
Corporation tax (paid)	(23)	(542)
Net cash generated from operating activities	<u>(1,982)</u>	<u>3,191</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(268)	(352)
Purchase of tangible fixed assets	(117)	(36)
Sale of tangible fixed assets	3	731
Net cash from investing activities	<u>(382)</u>	<u>343</u>
Cash flows from financing activities		
Issue/(repayment) of other loans	-	(1,689)
Repayment of finance leases	(13)	(26)
Interest paid	(119)	(126)
Net cash used in financing activities	<u>(132)</u>	<u>(1,841)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,496)</u>	<u>1,693</u>
Cash and cash equivalents at beginning of year	3,358	1,665
Cash and cash equivalents at the end of year	<u><u>862</u></u>	<u><u>3,358</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,237	3,358
Bank overdrafts	(375)	-
	<u><u>862</u></u>	<u><u>3,358</u></u>

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPAK GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £000	Cash flows £000	Acquisition of subsidiary £000	At 31 December 2021 £000
Cash at bank and in hand	3,358	(1,853)	(268)	1,237
Bank overdrafts	(2)	(373)	-	(375)
Debt due within 1 year	(4,682)	6	-	(4,676)
Finance leases	(13)	13	-	-
	<u>(1,339)</u>	<u>(2,207)</u>	<u>(268)</u>	<u>(3,814)</u>

The notes on pages 18 to 37 form part of these financial statements.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Wastepack Group Limited (the 'Company'), registered number 03985811, is a private company limited by shares incorporated in England & Wales, within the United Kingdom.

The address of the registered office is Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF. The Company's principal activities are that of a non trading holding company. The principal activity of the group in the year continued to be that of a registered packaging material compliance scheme and recycle broker and a registered compliance scheme for Waste Electrical and Electronic Equipment regulation.

The Company's functional and presentational currency is Pounds Sterling (rounded to the nearest GBP).

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 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss in these financial statements.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The consolidated balance sheet is technically insolvent. However the investor loan note holders in LC Bet Limited have formally resolved that they will only redeem the loan notes to the extent that doing so would not cause the group to be unable to meet their debts as they fall due.

The directors consider that the resources available to the group will be sufficient for it to be able to continue as a going concern. The financial statements do not contain any adjustments that would be required if the company were not able to continue as a going concern.

The directors have also considered their future financial performance and are confident that the group will continue to be able to meet its day-to-day cashflow requirements.

The directors therefore consider it appropriate to continue to prepare the consolidated financial statements on the going concern basis.

2.4 Turnover

Obligated companies are required to meet their recycling objective based on targets set for specific calendar years. Turnover therefore represents income due to the Company in respect of meeting its customers obligations for the relevant calendar year, net of Value Added Tax.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Income and Retained Earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10 - 20 years
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2.13 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 or reducing balance method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold property	- 10% straight line
improvements	
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

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.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments held as fixed assets are shown at cost less provision for impairment.

2.15 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.

2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 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.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.19 Financial instruments

The Group 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, loans to related parties and investments in ordinary shares.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors make estimates and assumptions concerning the future based on their knowledge of the business and the markets it operates in. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

4. Turnover

Turnover, which is stated net of value added tax, represents the amounts invoiced to customers of group companies, for the provision of compliance schemes for packaging waste and WEEE compliance regulations. All business is from continuing operations and is derived from the UK.

5. Other operating income

	2021 £000	2020 £000
Other operating income	-	(1)
	<u>-</u>	<u>(1)</u>

6. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2021 £000	2020 £000
Fees payable to the Company's auditors for the audit of the group consolidated financial statements and it's subsidiaries	80	63
Taxation compliance services	17	16
All other services	33	46
	<u>130</u>	<u>125</u>

THE WASTEPAK GROUP LIMITED

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

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Wages and salaries	1,304	1,431	-	-
Social security costs	201	176	-	-
Cost of defined contribution scheme	52	68	-	-
	<u>1,557</u>	<u>1,675</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Office and management	<u>25</u>	<u>20</u>

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

8. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	522	774
Group contributions to defined contribution pension schemes	12	20
	<u>534</u>	<u>794</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £358 thousand (2020 - £518 thousand).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4 thousand (2020 - £11 thousand).

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	1	1
Other loan interest payable	118	125
	<u>119</u>	<u>126</u>

10. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	190	302
Adjustments in respect of previous periods	-	53
Total current tax	<u>190</u>	<u>355</u>
Deferred tax		
Origination and reversal of timing differences	(2)	(5)
Total deferred tax	<u>(2)</u>	<u>(5)</u>
Taxation on profit on ordinary activities	<u>188</u>	<u>350</u>

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	518	1,340
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	98	255
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	23	54
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	54	-
Capital allowances for year in excess of depreciation	13	(12)
Adjustments to tax charge in respect of prior periods	-	53
Total tax charge for the year	188	350

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Intangible assets

Group and Company

	Goodwill £000
Cost	
At 1 January 2021	14,151
Additions	102
At 31 December 2021	<u>14,253</u>
Amortisation	
At 1 January 2021	13,030
Charge for the year on owned assets	123
At 31 December 2021	<u>13,153</u>
Net book value	
At 31 December 2021	<u><u>1,100</u></u>
At 31 December 2020	<u><u>1,121</u></u>

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

Group

	Freehold property £000	Other fixed assets £000	Total £000
Cost or valuation			
At 1 January 2021	72	1,359	1,431
Additions	-	119	119
Disposals	-	(20)	(20)
At 31 December 2021	72	1,458	1,530
Depreciation			
At 1 January 2021	57	983	1,040
Charge for the year on owned assets	4	145	149
Disposals	-	(16)	(16)
At 31 December 2021	61	1,112	1,173
Net book value			
At 31 December 2021	11	346	357
At 31 December 2020	15	376	391

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £000	2020 £000
Other fixed assets	-	55

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets (continued)

Company

	Computer equipment £000
Cost or valuation	
At 1 January 2021	92
At 31 December 2021	92
Depreciation	
At 1 January 2021	-
Charge for the year on owned assets	53
At 31 December 2021	53
Net book value	
At 31 December 2021	39
At 31 December 2020	92

13. Fixed asset investments

Company

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 January 2021	1	1,400	1,401
At 31 December 2021	1	1,400	1,401

Other fixed asset investments relate to the remaining cost of the company's right to receive income from LC Bet Limited.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
LC Bet Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Non-trading holding company	Ordinary	85%
Wastepack Limited	Caledonian Exchange, 19A Canning Street, Edinburgh, Lothian, EH3 8HE.	Packaging material compliance scheme and recycle broker	Ordinary*	85%
Electrolink Recycling Limited	Caledonian Exchange, 19A Canning Street, Edinburgh, Lothian, EH3 8HE.	Registered compliance scheme for Waste Electrical and Electronic Equipment regulation	Ordinary*	85%
Recycle Wales Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Packaging material compliance scheme and recycle broker	Ordinary*	85%
Onepack Compliance Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Non-trading company	Ordinary*	85%
Nilwaste Compliance Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Dormant	Ordinary*	85%
Integra Compliance Limited	Caledonian Exchange, 19A Canning Street, Edinburgh, Lothian, EH3 8HE.	Non-trading company	Ordinary*	85%
S.W.S Compak Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Non-trading company	Ordinary*	85%
WEEE Link Limited	Caledonian Exchange, 19A Canning Street, Edinburgh, Lothian, EH3 8HE.	Registered compliance scheme for Waste Electrical and Electronic Equipment regulation	Ordinary*	85%
Wastepack Compliance Limited	Caledonian Exchange, 19A Canning Street, Edinburgh, Lothian, EH3 8HE.	Dormant	Ordinary*	85%

THE WASTEPAK GROUP LIMITED

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

13. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Electrolink Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Dormant	Ordinary*	85%
Envirolink Recycling Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Dormant	Ordinary*	85%
Nipak Limited	Murray House, Murray Street, Belfast, Northern Ireland, BT1 6DN.	Registered compliance scheme	Ordinary*	85%
Toddapak Limited	Waterloo House, Unit 27 M11 Business Link, Parsonage Lane, Stansted, Essex, CM24 8GF.	Non-trading company	Ordinary*	85%

* represents indirect shareholdings.

Onepack Compliance Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of section 479A.

Following the year end Toddapak Limited was dissolved.

Nilwaste Compliance Limited and Onepack Compliance Limited have a year end of 30 April 2022.

Envirolink Recycling Limited has a year end of 28 February 2022.

Electrolink Limited and Wastepack Compliance Limited both have a year end of 31 August 2022.

THE WASTEPACK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. Debtors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	1,952	621	-	-
Amounts owed by group undertakings	-	-	966	966
Other debtors	4,479	1,282	-	-
Prepayments and accrued income	695	108	-	-
	<u>7,126</u>	<u>2,011</u>	<u>966</u>	<u>966</u>

15. Cash and cash equivalents

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	1,237	3,358	-	-
Less: bank overdrafts	(375)	(2)	-	(2)
	<u>862</u>	<u>3,356</u>	<u>-</u>	<u>(2)</u>

16. Creditors: Amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank overdrafts	375	2	-	2
Other loans	4,676	4,682	-	-
Trade creditors	1,432	1,385	-	-
Amounts owed to group undertakings	-	-	1,684	1,682
Corporation tax	602	432	-	-
Other taxation and social security	143	147	-	-
Obligations under finance lease and hire purchase contracts	-	13	-	-
Other creditors	1,868	1,224	-	-
Accruals and deferred income	3,178	1,775	-	-
	<u>12,274</u>	<u>9,660</u>	<u>1,684</u>	<u>1,684</u>

Hire purchase contracts are secured over the assets to which they relate. The company has entered in to a group facility agreement with their bank which has a limit of £750,000 (2020 - £750,000). The facility is secured by a floating charge over the group's assets and undertakings.

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Loans

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due within one year				
Investor loan notes	4,676	4,682	-	-

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £000	Group 2020 £000
Within one year	-	13
	-	13

The Company has no hire purchase and finance lease balances.

19. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets				
Financial assets measured at fair value through profit or loss	1,237	3,358	-	-
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	(375)	(2)	-	(2)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial liabilities measured at fair value through profit or loss comprise bank overdrafts.

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. Deferred taxation

Group

	2021 £000	2020 £000
At beginning of year	(5)	(10)
Charged to profit or loss	5	5
At end of year	-	(5)
	Group 2021 £000	Group 2020 £000
Accelerated capital allowances	-	(5)

The Company has no deferred taxation balances.

21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
894,900 (2020 - 894,900) A ordinary shares shares of £0.01 each	8,949	8,949
95,800 (2020 - 95,800) B ordinary shares shares of £0.01 each	958	958
8,000 (2020 - 8,000) Deferred shares shares of £0.01 each	80	80
35,900 (2020 - 35,900) C ordinary shares shares of £0.01 each	359	359
130,700 (2020 - 130,700) D ordinary shares shares of £0.01 each	1,307	1,307
	11,653	11,653

Employee Share Option Plan

The Wastepack Group Employees Share Ownership Trust currently holds 10,266 ordinary C shares and 74,788 ordinary D shares in the company, with a combined nominal value of £851. The current market value is not deemed to be materially different from the carrying value. The cost of funding and administering the plan are charged to the profit and loss account in the year in which they are incurred.

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

22. Reserves

Share premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Profit and loss account

The profit and loss account represents distributable cumulative profits and losses net of dividends and other adjustments.

23. Contingent liabilities

The company provides cross guarantees in respect of bank overdrafts available to other group companies. At the balance sheet date the gross overdraft balances for the group totalled £257,720 (2020 - £2,222). The group is considered to have sufficient assets to service these debts.

The Company is part of a VAT group with other group companies. At the balance sheet date the gross liability for the group totalled £74,412 (2020 - £42,638).

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £52 thousand (2020 - £68 thousand). Contributions totalling £NIL (2020 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	4	4
Later than 1 year and not later than 5 years	7	11
	<u>11</u>	<u>15</u>

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

26. Related party transactions

The Company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

At the year end, The Wastepack Group Limited is owed a total of £965,563 (2020 - £965,563) by a subsidiary with an indirect shareholding of 85%.

At the year end, The Wastepack Group Limited owes a total of £1,685,817 (2020 - £1,683,582) to subsidiaries with indirect shareholdings of 85%. During the year The Wastepack Group Limited received advances of £2,235 in transactions with one of these subsidiaries.

27. Post balance sheet events

In February 2022, LC Bet Limited completed the purchase of shares in one other compliance scheme, which is now a member of The Wastepack Group Limited.

28. Controlling party

The group is under the control of B P Van Danzig.

29. Business combinations

On 21 January 2021 the group acquired 100% of the share capital for the following subsidiary, which is accounted for using the acquisition method:

Acquisition of Nipak Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value adjustments £000	Fair value £000
Current Assets			
Debtors	96	-	96
Cash at bank and in hand	224	-	224
Total Assets	320	-	320
Creditors			
Due within one year	(156)	-	(156)
Deferred taxation	2	-	2
Total Identifiable net assets	166	-	166
Goodwill			102
Total purchase consideration			268

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

29. Business combinations (continued)

Consideration

£000

Cash

268

Cash outflow on acquisition

£000

Purchase consideration settled in cash, as above

268

The results of Nipak Limited since acquisition are as follows:

Current
period since
acquisition
£000

Turnover

802

Profit for the period since acquisition

136