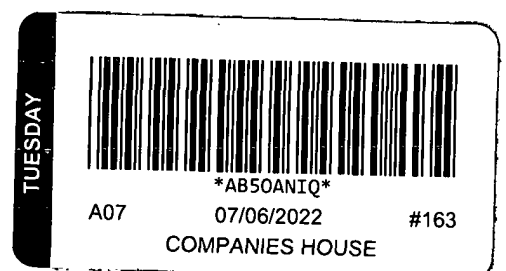


Company Registration No. 07383076 (England and Wales)

**FORGE RECYCLING (UK) LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**



**FORGE RECYCLING (UK) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	3	72,455		90,615	
Tangible assets	4	1,343,545		1,151,762	
		<u>1,416,000</u>		<u>1,242,377</u>	
<b>Current assets</b>					
Debtors	5	3,212,428		2,427,815	
Cash at bank and in hand		689,540		783,783	
		<u>3,901,968</u>		<u>3,211,598</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(2,214,262)</u>		<u>(2,081,241)</u>	
<b>Net current assets</b>		<u>1,687,706</u>		<u>1,130,357</u>	
<b>Total assets less current liabilities</b>		<u>3,103,706</u>		<u>2,372,734</u>	
<b>Creditors: amounts falling due after more than one year</b>	7	(451,671)		(350,755)	
<b>Provisions for liabilities</b>	8	(175,973)		(120,393)	
<b>Net assets</b>		<u>2,476,062</u>		<u>1,901,586</u>	
<b>Capital and reserves</b>					
Called up share capital		150		150	
Share premium account		4,950		4,950	
Profit and loss reserves		<u>2,470,962</u>		<u>1,896,486</u>	
<b>Total equity</b>		<u>2,476,062</u>		<u>1,901,586</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

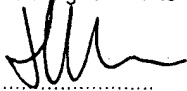
**FORGE RECYCLING (UK) LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 30 SEPTEMBER 2021**

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The financial statements were approved by the board of directors and authorised for issue on 01/06/22  
and are signed on its behalf by:



.....  
Mr H R Mills  
Director

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 — Accounting policies

#### Company information

Forge Recycling (UK) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Scotch Park Trading Estate, Forge Lane, Leeds, LS12 2PY.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", including the adoption of the amendments issued in December 2017 ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### Going concern

The directors of the company have reviewed its financial performance and position in light of general economic conditions and the ongoing impact of the COVID-19 pandemic. The pandemic and actions taken to mitigate its impact have had, and are expected to continue to have, an adverse impact on the economy. Whilst the directors are aware of the uncertainties this creates, they consider that the company has sufficient resources to enable it to continue operating effectively and settling its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

#### Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### Intangible fixed assets other than goodwill

Acquired trade waste routes are written off in equal annual instalments over their estimated useful economic life.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trade waste routes	20% straight line
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#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	25% reducing balance
Computer equipment	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies (Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 1 Accounting policies (Continued)

##### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	86	74
	<u>          </u>	<u>          </u>

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 3 Intangible fixed assets

	Trade waste routes £
<b>Cost</b>	
At 1 October 2020	193,385
Additions	10,000
At 30 September 2021	203,385
<b>Amortisation and impairment</b>	
At 1 October 2020	102,770
Amortisation charged for the year	28,160
At 30 September 2021	130,930
<b>Carrying amount</b>	
At 30 September 2021	72,455
At 30 September 2020	90,615

### 4 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 October 2020	1,139,579	13,810	28,700	991,474	2,173,563
Additions	509,662	5,361	24,013	122,611	661,647
Disposals	(170,990)	-	-	(135,401)	(306,391)
At 30 September 2021	1,478,251	19,171	52,713	978,684	2,528,819
<b>Depreciation and impairment</b>					
At 1 October 2020	498,238	2,277	11,682	509,604	1,021,801
Depreciation charged in the year	219,959	3,870	6,833	141,823	372,485
Eliminated in respect of disposals	(129,908)	-	-	(79,104)	(209,012)
At 30 September 2021	588,289	6,147	18,515	572,323	1,185,274
<b>Carrying amount</b>					
At 30 September 2021	889,962	13,024	34,198	406,361	1,343,545
At 30 September 2020	641,341	11,533	17,018	481,870	1,151,762



# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 4 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2021 £	2020 £
Motor vehicles	176,181	239,484
	<u>176,181</u>	<u>239,484</u>

### 5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,597,751	1,248,893
Amounts owed by group undertakings	983,532	730,182
Other debtors	371,608	212,243
Prepayments and accrued income	259,537	236,497
	<u>3,212,428</u>	<u>2,427,815</u>

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### 6 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	79,333	19,167
Trade creditors	926,802	607,845
Amounts owed to group undertakings	-	124,306
Corporation tax	76,298	190,308
Other taxation and social security	236,133	384,495
Other creditors	895,696	755,120
	<u>2,214,262</u>	<u>2,081,241</u>

Bank loans represents the short term element of two loans received under the Coronavirus Business Interruption Loan Scheme ("CBILS") of £79,333 (2020 - £19,167).

The first CBILS loan was taken out in May 2020. As with other loans of this nature, 80% of the loan is guaranteed by HM Government. The remaining 20% is secured, under existing agreements, against the assets of the company. HM Government is covered the first year's interest payments. The capital repayments of the loan began in June 2021 and the repayments will be made over a five year period. Interest is charged at 4% per annum.

The second CBILS loan was taken out in January 2021. As with other loans of this nature, 80% of the loan is guaranteed by HM Government. The remaining 20% is secured, under existing agreements, against the assets of the company. HM Government is covering the first year's interest payments. The capital repayments of the loan will begin in February 2022 and the repayments will be made over a five year period. Interest is charged at base rate plus 3.8%.

Included within other creditors is a hire purchase creditor of £76,886 (2020 - £87,755) which is secured against the assets to which they relate.

#### 7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	385,333	210,833
Other creditors	66,338	139,922
	<u>451,671</u>	<u>350,755</u>

Bank loans of £385,333 (2020 - £210,833) represent the long term element of the CBILS loans referred to in the previous note.

Included within other creditors is a hire purchase creditor of £66,338 (2020 - £139,922) which is secured against the assets to which they relate.

Creditors which fall due after five years are as follows:

	2021 £	2020 £
Payable by instalments	<u>16,667</u>	<u>30,667</u>

# FORGE RECYCLING (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 8 Provisions for liabilities

	2021 £	2020 £
Deferred tax liabilities	175,973	120,393

### 9 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	268,590	268,590
Between one and five years	483,896	752,486
	<u>752,486</u>	<u>1,021,076</u>

### 10 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
<b>Amounts due from related parties</b>		
Other related parties	408,245	205,556

Other related parties are related due to common control.

### 11 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Loan from the company	2.00	1,607	126,771	1,240	(26,703)	102,915
		<u>1,607</u>	<u>126,771</u>	<u>1,240</u>	<u>(26,703)</u>	<u>102,915</u>

### 12 Cross guarantee

There is a cross guarantee between the entity and a related party in respect of each of their bank borrowings.