

Company Registration No. SC319581 (Scotland)

RECYCLATECH GROUP LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017**

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RECYCLATECH GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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.

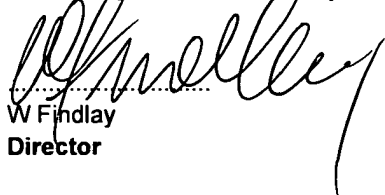
RECYCLATECH GROUP LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	4		116,965		103,128
Tangible assets	5		23,104		9,143
Investments	6		2		2
			<u>140,071</u>		<u>112,273</u>
Current assets					
Debtors	7	664,745		594,706	
Cash at bank and in hand		440		19,424	
		<u>665,185</u>		<u>614,130</u>	
Creditors: amounts falling due within one year	8	<u>(506,931)</u>		<u>(136,555)</u>	
Net current assets			<u>158,254</u>		<u>477,575</u>
Total assets less current liabilities			<u>298,325</u>		<u>589,848</u>
Capital and reserves					
Called up share capital	9		197,313		197,313
Share premium account			1,741,242		1,741,242
Profit and loss reserves			(1,640,230)		(1,348,707)
Total equity			<u>298,325</u>		<u>589,848</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 29/05/17 and are signed on its behalf by:


W Findlay
Director

RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Recyclatech Group Limited is a private company limited by shares incorporated in Scotland. The registered office is 1 West Regent Street, Glasgow, G2 1RW.

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" ("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

Investors believe that there is a substantial value in the intellectual property of the Company and have indicated their willingness to support the Group for the foreseeable future as steps are taken to engage with major funders and license partners. The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and consider it appropriate to prepare the financial statements on the going concern basis.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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:

Patents	amortise once the technology has been brought into use and income generated, over the estimated useful life of the asset.
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Website	over 3 years
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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.

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 etc	15% reducing balance
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RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

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.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

Other and inter-company debtors

Other and inter-company debtors are recognised initially at the transaction price or, when the arrangement constitutes a financing transaction, at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Other and inter-company debtors are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

A provision for impairment of other and inter-company debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the other or inter-company debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Trade, other and inter-company creditors

Trade, other and inter-company creditors that are payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the instrument with a trade, other or inter-company creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue 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 period.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

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

Retirement benefits

The company operates a group personal pension scheme for the benefit of its employees. The cost of the pension contributions is charged against revenue in order to recognise the cost of the pension contributions payable on behalf of its employees.

Research & development costs

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2016 - 3).

RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Directors' remuneration

	2017 £	2016 £
Remuneration paid to directors	84,000	(47,399)

4 Intangible fixed assets

	Patents £	Website £	Total £
Cost			
At 1 April 2016	207,300	2,320	209,620
Additions - separately acquired	14,603	-	14,603
At 31 March 2017	221,903	2,320	224,223
Amortisation and impairment			
At 1 April 2016	106,299	193	106,492
Amortisation charged for the year	-	766	766
At 31 March 2017	106,299	959	107,258
Carrying amount			
At 31 March 2017	115,604	1,361	116,965
At 31 March 2016	101,001	2,127	103,128

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2016	40,519
Additions	15,686
At 31 March 2017	56,205
Depreciation and impairment	
At 1 April 2016	31,376
Depreciation charged in the year	1,725
At 31 March 2017	33,101
Carrying amount	
At 31 March 2017	23,104
At 31 March 2016	9,143

RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Fixed asset investments

	2017 £	2016 £
Investments	2	2

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2016 & 31 March 2017	2
Carrying amount	
At 31 March 2017	2
At 31 March 2016	2

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts owed by group undertakings	653,816	591,843
Other debtors	10,929	2,863
	664,745	594,706

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	37,280	6,991
Amounts due to group undertakings	354,613	25,490
Other taxation and social security	5,751	8,131
Other creditors	109,287	95,943
	506,931	136,555

RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
789,252 Ordinary Share of 25p each	197,313	197,313

10 Operating lease commitments

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:

	2017	2016
	£	£
Within one year	5,950	-

11 Related party transactions

Transactions with related parties

A shareholder of the parent company was owed £40,000 (2016: £40,000) at the balance sheet date from a loan advanced to Recyclatech Group Limited. Interest is charged at 8% on the loan and the amount charged in the year was £3,200 (2016: £3,253). The total amount owed from the company at the balance sheet date was £43,200 (2016: £43,253).

A shareholder of the parent company and member of the key management personnel of Recyclatech Group Limited was owed £24,962 (2016: £24,962) at the balance sheet date after a loan advanced to Recyclatech Group Limited. Interest is charged at 8% on the loan and the amount charged in the year was £1,997 (2016: £nil). The total amount owed from the company at the balance sheet date was £26,959 (2016: £24,962).

The total amount of interest outstanding at the balance sheet date and owed to the above two related parties totalled £11,653.

12 Parent company

The parent company of Recyclatech Group Limited is Recircle Limited and its registered office is Condor House, 10 St. Pauls Churchyard, London, EC4M 8AL.

RECYCLATECH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alan Aitchison.

The auditor was RSM UK Audit LLP.