

Co House.

REGISTERED NUMBER: SC345565 (Scotland)

**ABBREVIATED AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**  
**FOR**  
**ACE RECYCLING GROUP CIC**

FRIDAY



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06/12/2013

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COMPANIES HOUSE

French Duncan LLP  
Chartered Accountants & Registered Auditors  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
Stirlingshire  
FK7 7WT

**ACE RECYCLING GROUP CIC**

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FOR THE YEAR ENDED 31 MARCH 2013**

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**ACE RECYCLING GROUP CIC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2013**

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**DIRECTORS:**

Mr M McArdle  
Rt Hon GN Reid  
Mr I Dalrymple  
Mr W Brown  
Mrs J M McGuire  
Mrs J D Austin

**SECRETARY:**

Atkinson & Co Business Services Ltd

**REGISTERED OFFICE:**

The HUB  
Whins Road  
Alloa  
Clackmannanshire  
FK10 3TA

**REGISTERED NUMBER:**

SC345565 (Scotland)

**SENIOR STATUTORY AUDITOR:** Mrs Ellen Waters BA CA

**AUDITORS:**

French Duncan LLP  
Chartered Accountants & Registered Auditors  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
Stirlingshire  
FK7 7WT

**REPORT OF THE INDEPENDENT AUDITORS TO  
ACE RECYCLING GROUP CIC  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages three to five, together with the full financial statements of Ace Recycling Group CIC for the year ended 31 March 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Mrs Ellen Waters BA CA (Senior Statutory Auditor)  
for and on behalf of French Duncan LLP  
Chartered Accountants & Registered Auditors  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
Stirlingshire  
FK7 7WT

Date: 30th October 2013

**ACE RECYCLING GROUP CIC (REGISTERED NUMBER: SC345565)**

**ABBREVIATED BALANCE SHEET  
31 MARCH 2013**

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	2	202,878	289,993
<b>CURRENT ASSETS</b>			
Stocks		-	11,550
Debtors		277,760	228,613
Cash at bank and in hand		9,782	157,039
		<u>287,542</u>	<u>397,202</u>
<b>CREDITORS</b>			
Amounts falling due within one year		(336,403)	(520,783)
<b>NET CURRENT LIABILITIES</b>		<u>(48,861)</u>	<u>(123,581)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>154,017</u>	<u>166,412</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year		(25,320)	(45,054)
<b>NET ASSETS</b>		<u>128,697</u>	<u>121,358</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	51	51
Share premium		375,033	375,033
Profit and loss account		(246,387)	(253,726)
<b>SHAREHOLDERS' FUNDS</b>		<u>128,697</u>	<u>121,358</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on OCTOBER 11th and were signed on its behalf by:

  
Mr M McArdle - Director

The notes form part of these abbreviated accounts

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Collection bins	- 20% on reducing balance
Plant and machinery	- 15% on reducing balance
Motor vehicles	- 25% on cost
Office equipment	- 20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Although stock is valued at nil, due to the cost being nil, it should be noted that the net realisable value of the stock is estimated to be £10,200.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Grants**

Grants, where entitlement is not conditional on delivery of a specific performance by the company, are recognised when the company becomes unconditionally entitled to the grant.

**ACE RECYCLING GROUP CIC**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 MARCH 2013**

**2. TANGIBLE FIXED ASSETS**

	<b>Total £</b>
<b>COST</b>	
At 1 April 2012	<b>651,840</b>
Additions	<b>32,494</b>
Disposals	<b>(34,782)</b>
At 31 March 2013	<b>649,552</b>
<b>DEPRECIATION</b>	
At 1 April 2012	<b>361,847</b>
Charge for year	<b>103,513</b>
Eliminated on disposal	<b>(18,686)</b>
At 31 March 2013	<b>446,674</b>
<b>NET BOOK VALUE</b>	
At 31 March 2013	<b>202,878</b>
At 31 March 2012	<b>289,993</b>

**3. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>2013 £</b>	2012 £
51	Ordinary	£1	<b>51</b>	51

**CIC 34****Community Interest Company Report**

**For official use**  
(Please leave blank)

*Please  
complete in  
typescript, or  
in bold black  
capitals.*

**Company Name in  
full**

ACE RECYCLING GROUP CIC

**Company Number**

SC 345565

**Year Ending**

31 MARCH 2013

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

**PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT**

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community, or section of the community, which the company is intended to serve.

ATTACHED

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)



**PART 2 – CONSULTATION WITH STAKEHOLDERS** – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

NO CONSULTATION IN CURRENT  
YEAR

*(If applicable, please just state "A social audit report covering these points is attached").*

**PART 3 – DIRECTORS' REMUNERATION** – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

FULL DETAILS PROVIDED IN ACCOUNTS.

**PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION** – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

NO TRANSFER OF ASSETS OTHER THAN FOR  
FULL CONSIDERATION

*(Please continue on separate continuation sheet if necessary.)*

**(N.B. Please enclose a cheque for £15 payable to Companies House)**

## PART 5 – SIGNATORY

**The original report must be signed by a director or secretary of the company**

Signed



Date

20/11/13

Office held (tick as appropriate) ☒ Director ☐ Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

MACFARLANE GRAY LIMITED	
Telephone 01786 - 451745	
DX Number	DX Exchange

**When you have completed and signed the form, please send it to the Registrar of Companies at:**

*For companies registered in England and Wales:* Companies House, Crown Way, Cardiff, CF14 3UZ  
DX 33050 Cardiff

*For companies registered in Scotland:* Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139  
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

*For companies registered in Northern Ireland:* Companies House, 2nd Floor, The Linenhall, 32-38  
Linenhall Street, Belfast, BT2 8BG

## **ACE RECYCLING GROUP CIC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013**

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The directors present their report with the financial statements of the company for the year ended 31 March 2013.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of recycling and the provision of waste management advice and support.

#### **ORGANISATIONAL STRUCTURE**

ACE Recycling Group (ARG) is a Community Interest Company and is a Private Company Limited by shares. The Company was incorporated on 10 July 2008. The Company was registered under a Memorandum and Articles of Association which established the objects and powers of the community benefit related company. In the event of the company being wound up, the assets are locked.

The Company is a wholly owned subsidiary of Alloa Community Enterprises (ACE) which is a Company Limited by Guarantee and with Charitable status. The Company is governed by a voluntary and unremunerated Board of Directors and is run by the Group Managing Director (GMD) Malcolm McArdle. The GMD is a fully functioning Executive Director and has overall responsibility for the charitable and commercial management and development of the company, its subsidiaries, projects and investments. The Board of Directors meet quarterly and are responsible for the strategic direction and policy of the CIC. This is done with the support of the Executive Committee (EC) which is comprised of the GMD and three other Directors. The EC meets monthly to monitor performance, development and commercial matters. The Depute Chair of the parent company holds the Chair of the EC and reports back to the Board of Directors on a quarterly basis. The Board, via the EC, also receives input from staff in general by way of the Senior Management Team (SMT) of ARG, and the Employee Liaison Group (ELG) which is made up of general office staff, retail, transport and warehousing staff. The role of the ELG is to provide an oversight on aspects of company performance including Health and Safety, operational efficiency and charitable giving. An annual Strategic Planning Day is held at which the board and Management Team come together to assess the Company's Charitable Objectives and discuss the proposed business plan for the coming year and agree on priorities and delivery. The GMD works with the support of the Senior Management Team which includes the Operations Manager, Finance Manager, Sales Manager and Business Support Executive.

#### **REVIEW OF BUSINESS**

The company's objects are:

- i) to provide all such services as may be connected with the improvement and/or protection of the environment for the benefit of the community;
- ii) to earn an income through the provision of professional recycling and waste management services,
- iii) to earn an income through any other means approved by the EC and Board, and to generate funds and assets for distribution to Alloa Community Enterprises Ltd to enable it to continue investing and making donations in the Communities it serves.

Our objectives are achieved by providing a variety of recycling services to reduce the volume of waste going to landfill and increase recycling rates in our areas of operation. In 2010 ACE began an association with the newly formed Clackmannanshire Third Sector Interface. Our reason for doing so was to provide an added impetus to the value we add to the Clackmannanshire Community. This commitment also reflects the importance of the **key contract** we hold with Clackmannanshire Council for the provision of a Kerbside Recycling service. The key areas of business for the year are reviewed in more detail as follows:

##### **1 Clackmannanshire Kerbside Contract**

ACE won the Clackmannanshire kerbside contract in open tender in 2010, the contract runs to 2017 including two single year period reviews. The Council have been delighted with the excellent way in which ACE have gone about delivering this contract and with the significantly low levels of client or consumer issues that are raised. In securing the contract ACE gave an undertaking to the Council to make an additional £40,000 investment in Community Benefit related delivery in Clackmannanshire. The actual community benefit realised has been significantly higher as is detailed in section 4 below. The Council were awarded funding from Zero Waste Scotland to begin the roll out collection of Food Waste on Kerbside and after much consultation with ACE and Zero Waste Scotland it was agreed that the type of fleet operated by ACE was the best option for ensuring maximum performance of this new service. Roll out of the new service began in February 2012 and collections begin in April 2012. An additional 5 new jobs were created at ACE as a result of the expansion of this service.

## **ACE RECYCLING GROUP CIC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013**

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#### **2 Enterprise Growth Fund Award**

The Scottish Government awarded ARG £200,000 through their Enterprise Growth Fund (EGF). The funding was awarded on the basis of ARG commencing the development of a national social enterprise network, specialising in Commercial and Industrial recycling services.

4 new jobs at ACE were created and one additional post was created with our Northern partners Aberdeen Forward. During the period of the project we established partnership working with Aberdeen Forward, Kibble, Crossreach and Instant Neighbour.

The relationship with Kibble has been carried on into the next financial year and it is expected to bear more fruit. Operations in Aberdeen came to a close in March 2013 due to a lack of return on investments in the area.

#### **3 Zero Waste Scotland BioRegenerator Project**

In 2011 ACE were approached by Zero Waste Scotland (ZWS) to consider undertaking a research and development project. After a number of delays the project got under way in May 2012 and proved to be a turning point for ACE.

The project itself focussed on using the BioRegenerator system, developed in Australia, for food waste recycling. This was an unknown system and performance parameters were set at zero as we had no benchmarks to work with. A project team was formed including representatives from ZWS, Scottish Environmental Protection Agency, Animal Health and Veterinary Laboratories Agency, Scottish Agricultural College, VRM of Australia and New Farm Products (VRMs UK Distributors).

The project demonstrated that waste food can be recycled in a unique manner, using a blend of microbiological components in what is known as Effective Microbiology, which leads to both Aerobic and Anaerobic digestion taking place concurrently. The overall project value was in the region of £250,000 3 jobs were created as a result and over 100 tonnes of food was recycled at ACE's premises in Alloa. Discussions around a way forward with this technology are now ongoing.

#### **4 Development of The HUB**

ACE moved into the Whins Road premises in December 2011. The intention being to create a Centre for Social Environmental and Entrepreneurial Activities. The three initial activities developed during 2012/13 were the establishment of the Clackmannanshire Third Sector Interface as sub tenants, creation of a Furniture Re-use and retail outlet for ACE and the establishment of community meeting and learning facilities. In addition The HUB accounts for 50 per cent of ACE's warehousing capacity.

Retail performance surpassed initial projections and this has allowed us to press ahead with recruitment and investment in the retail area. We now have 3 full time staff, 2 pre release prison trainees, 2 supported employees and 3 Community Jobs Fund trainees in the shop.

Community Jobs Fund (CJF) training placements were the other success story for ACE in this period. Out of an overall intake of 12 CJF trainees we have been able to retain 7 in full time positions.

#### **Vital Statistics**

- 13,616 tonnes of material redirected from landfill
- Contracts with 4 Local Authorities & services delivered in 10 Local authority Areas.
- 42 full time staff (at peak 31 March 2013)
- 140 furniture packs installed for Homeless clients being rehoused.
- 9 Community Jobs Fund trainees recruited to work in the Hub and on our core recycling contracts.
- 2 new supported employment positions created with 1 gaining paid employment status.