

WASTEPACK LIMITED

**FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR**

FOR THE YEAR ENDED 31 DECEMBER 2019

WASTEPACK LIMITED
REGISTERED NUMBER: SC174113

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note		2019 £000		2018 £000
Fixed assets					
Tangible assets	5		270		204
Investments	6		322		322
			592		526
Current assets					
Debtors: amounts falling due within one year	8	9,257		6,470	
Cash at bank and in hand	9	626		-	
			9,883		6,470
Creditors: amounts falling due within one year	10	(7,086)		(6,049)	
			2,797		421
Net current assets			3,389		947
Total assets less current liabilities					
Provisions for liabilities					
Deferred tax	11	(7)		(3)	
			(7)		(3)
Net assets			3,382		944
Capital and reserves					
Profit and loss account	13		3,382		944
			3,382		944

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2021.

L A Cullis
 Director

The notes on pages 2 to 12 form part of these financial statements.

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Wastepack Limited (the 'Company'), registered number SC174113, is a private company limited by shares incorporated in England, United Kingdom.

The address of the registered office is Caledonian Exchange, 19A Canning Street, Edinburgh, Lothian, EH3 8HE. The Company's principal activities are that of a packaging material compliance scheme and recycle broker.

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 Section 1A of 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 management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 GOING CONCERN

Following the year end the company has been affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic. The result of this is that the company's premises have closed but the business has continued with staff working from home. The directors consider that the resources available to the company will be sufficient for it to be able to continue as a going concern during the restrictions and once the restrictions are lifted.

The company is part of a wider group which it relies upon for working capital support. The group as a whole has net liabilities and is reliant on the support of its loan note holders in order to provide this support. The directors have obtained assurance from the loan note holders that they will only redeem loan notes to the extent that doing so would not cause the group or its subsidiaries to be unable to meet their debts as they fall due.

The directors are therefore confident that the financial statements should be prepared on the going concern basis and they do not include any adjustment that would be required if this was not the case.

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

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 Company 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 Company 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: THE COMPANY AS LESSEE

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

2.6 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.8 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 TANGIBLE FIXED ASSETS (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line or reducing balance method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 10% straight line
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

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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.

2.10 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 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.

2.12 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.

2.13 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.

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company 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 Company 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.15 FINANCIAL INSTRUMENTS

The Company 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. EMPLOYEES

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

	2019 No.	2018 No.
Office and management	<u>19</u>	<u>18</u>

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. INTANGIBLE ASSETS

	£000
At 1 January 2019	369
Disposals	(369)
At 31 December 2019	<u>-</u>
At 1 January 2019	369
On disposals	(369)
At 31 December 2019	<u>-</u>
NET BOOK VALUE	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

During the year, the intangible asset with a brought forward net book value of £NIL was written off.

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. TANGIBLE FIXED ASSETS

	Leasehold property improvements	Other fixed assets	Total
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	£000	£000	£000
COST OR VALUATION			
At 1 January 2019	72	842	914
Additions	-	170	170
Disposals	-	(77)	(77)
At 31 December 2019	<u>72</u>	<u>935</u>	<u>1,007</u>
DEPRECIATION			
At 1 January 2019	45	665	710
Charge for the year on owned assets	7	72	79
Disposals	-	(52)	(52)
At 31 December 2019	<u>52</u>	<u>685</u>	<u>737</u>
NET BOOK VALUE			
At 31 December 2019	<u>20</u>	<u>250</u>	<u>270</u>
At 31 December 2018	<u>27</u>	<u>177</u>	<u>204</u>

6. FIXED ASSET INVESTMENTS

Investments in
subsidiary
companies

£000
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COST OR VALUATION	
At 1 January 2019	<u>322</u>
At 31 December 2019	<u>322</u>

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Recycle Wales	Las Recycling Tregaron Road, Lampeter, Ceredigion, Wales, SA48 8LT	Ordinary	100%
Onepack Compliance Limited	Unit 27, Waterloo House, M11 Business Link, Parsonage Lane	Ordinary	100%

7. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 23 March 2021 by Howard Sears FCCA (Senior statutory auditor) on behalf of Price Bailey LLP.

8. DEBTORS

	2019 £000	2018 £000
Trade debtors	2,267	745
Amounts owed by group undertakings	4,735	3,239
Other debtors	2,255	2,486
	<u>9,257</u>	<u>6,470</u>

9. CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash at bank and in hand	626	-
Less: bank overdrafts	(131)	(281)
	<u>495</u>	<u>(281)</u>

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Bank overdrafts	131	281
Trade creditors	1,971	1,650
Amounts owed to group undertakings	2,446	2,242
Corporation tax	521	210
Other taxation and social security	36	37
Other creditors	1,193	-
Accruals and deferred income	788	1,629
	7,086	6,049

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 (2018 - £300,000). The facility is secured by a floating charge over the group's assets and undertakings.

11. DEFERRED TAXATION

	2019 £000	2018 £000
At beginning of year	(3)	(4)
Charged to profit or loss	(4)	1
AT END OF YEAR	(7)	(3)

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	(7)	(3)

12. SHARE CAPITAL

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	100	100

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. RESERVES

Profit & loss account

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

14. 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 balance in respect of other group companies was £199 (2018 - £196,813). 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 in respect of other group companies was £162,632 (2018 - £340,968).

15. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £58,481 (2018 - £55,062). At the year end the company owed £Nil (2018 - £Nil) to the fund.

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	4	4
Later than 1 year and not later than 5 years	14	2
Later than 5 years	2	-
	<u>20</u>	<u>6</u>

17. RELATED PARTY TRANSACTIONS

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

18. POST BALANCE SHEET EVENTS

Following the year end the company has been affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic which came into force in March 2020. The effects on the company have been explained in note 2.3.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of LC Bet Limited, its immediate parent undertaking, a company incorporated in the United Kingdom. The registered address of LC Bet Limited is Waterloo House, Unit 27, M11 Business Link, Parsonage Lane, Stansted, CM24 8GF. Page 11

The company is exempt from preparing and delivering consolidated accounts as the smallest and largest group of which the company is a member and for which group financial statements are prepared is The Wastepack Group Limited, the ultimate parent company and a company incorporated in the United Kingdom. Copies of its consolidated financial statements are available from Waterloo House, Unit 27, M11 Business Link, Parsonage Lane, Stansted, CM24 8GF.

The Wastepack Group Limited is controlled by B P Van Danzig.