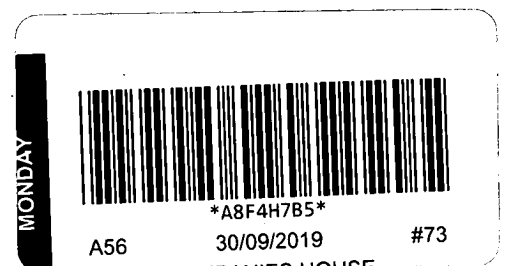


WASTEPACK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



WASTEPAK LIMITED

COMPANY INFORMATION

Directors	B P Van Danzig L A Cullis P B Van Danzig (appointed 1 October 2018)
Company secretary	L A Cullis
Registered number	SC174113
Registered office	Caledonian Exchange 19A Canning Street Edinburgh Lothian EH3 8HE
Independent auditors	Price Bailey LLP Chartered Accountants & Statutory Auditors Dashwood House 69 Old Broad Street London EC2M 1QS
Bankers	Clydesdale Bank Plc 35 Regent Street Piccadilly Circus London SW1Y 4ND
Solicitors	EMW LLP Seebeck House One Seebeck Place Milton Keynes MK5 8FR

WASTEPACK LIMITED

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WASTEPACK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The directors who served during the year were:

B P Van Danzig
L A Cullis
P B Van Danzig (appointed 1 October 2018)

Directors' responsibilities statement

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 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 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 for the Company'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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'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's auditors are aware of that information.

Auditors

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

WASTEPACK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'L A Cullis', written in a cursive style.

L A Cullis
Director

Date: 26/9/2019

WASTEPACK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WASTEPACK LIMITED

Opinion

We have audited the financial statements of Wastepack Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of income and retained earnings, the Balance sheet 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 Company's affairs as at 31 December 2018 and of its 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 Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

WASTEPACK LIMITED

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

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

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 financial statements.

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.

WASTEPACK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WASTEPACK 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

Dashwood House
69 Old Broad Street

London
EC2M 1QS

Date: 30/9/2019

WASTEPACK LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £000	2017 £000
Turnover	9,652	5,264
Cost of sales	(7,480)	(3,192)
Gross profit	2,172	2,072
Administrative expenses	(1,831)	(1,594)
Other operating income	225	276
Operating profit	566	754
Income from fixed assets investments	-	356
Profit before tax	566	1,110
Tax on profit	(65)	(132)
Profit after tax	501	978
Retained earnings at the beginning of the year	443	1,669
	443	1,669
Profit for the year	501	978
Dividends declared and paid	-	(2,204)
Retained earnings at the end of the year	944	443

The notes on pages 8 to 15 form part of these financial statements.

WASTEPACK LIMITED
REGISTERED NUMBER: SC174113

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	5	204	244
Investments	6	322	322
		526	566
Current assets			
Debtors: amounts falling due within one year	7	6,470	2,554
Cash at bank and in hand	8	-	282
		6,470	2,836
Creditors: amounts falling due within one year	9	(6,049)	(2,956)
		421	(120)
Net current assets/(liabilities)		421	(120)
Total assets less current liabilities		947	446
Provisions for liabilities			
Deferred tax	11	(3)	(4)
		(3)	(4)
Net assets		944	442
Capital and reserves			
Profit and loss account		944	442
		944	442

The 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 FRS 102 Section 1A - small entities.

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



L A Cullis
 Director

Date: 26/1/2019

The notes on pages 8 to 15 form part of these financial statements.

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The company is reliant on group support for adequate working capital.

The group directors have assessed going concern for the group as a whole and are confident that the working capital will continue to be available for at least 12 months from the signing of the directors report.

2.3 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.

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.5 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 the Statement of income and retained earnings 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.

2.6 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

2.7 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.

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.8 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 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

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 the Statement of income and retained earnings.

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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.

2.11 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.

2.12 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.

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.13 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 the Statement of income and retained earnings 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.

2.14 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 non-puttable ordinary shares.

2.15 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 18 (2017 - 16).

4. INTANGIBLE ASSETS

	£000
COST	
At 1 January 2018	369
At 31 December 2018	<u>369</u>
AMORTISATION	
At 1 January 2018	369
At 31 December 2018	<u>369</u>
NET BOOK VALUE	
At 31 December 2018	<u><u>-</u></u>
At 31 December 2017	<u><u>-</u></u>

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. TANGIBLE FIXED ASSETS

	Land and buildings £000	Other fixed assets £000	Total £000
COST OR VALUATION			
At 1 January 2018	72	1,096	1,168
Additions	-	75	75
Disposals	-	(329)	(329)
At 31 December 2018	<u>72</u>	<u>842</u>	<u>914</u>
DEPRECIATION			
At 1 January 2018	36	889	925
Charge for the year on owned assets	9	56	65
Disposals	-	(280)	(280)
At 31 December 2018	<u>45</u>	<u>665</u>	<u>710</u>
NET BOOK VALUE			
At 31 December 2018	<u>27</u>	<u>177</u>	<u>204</u>
At 31 December 2017	<u>36</u>	<u>208</u>	<u>244</u>

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

	2018 £000	2017 £000
Motor vehicles	-	64
Leasehold property improvements	28	36
	<u>28</u>	<u>100</u>

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 January 2018	322
At 31 December 2018	322

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Recycle Wales Limited	Ordinary	100%
Onepack Compliance Limited	Ordinary	100%

7. DEBTORS

	2018 £000	2017 £000
Trade debtors	745	200
Amounts owed by group undertakings	3,239	1,732
Other debtors	2,486	622
	6,470	2,554

8. CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash at bank and in hand	-	283
Less: bank overdrafts	(281)	(47)
	(281)	236

WASTEPACK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	281	47
Trade creditors	1,650	695
Amounts owed to group undertakings	2,242	1,830
Corporation tax	210	140
Other taxation and social security	37	34
Obligations under finance lease and hire purchase contracts	-	14
Accruals and deferred income	1,629	196
	6,049	2,956
	6,049	2,956

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 £300,000 (2017 - £300,000). The facility is secured by a floating charge over the group's assets and undertakings.

10. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2018 £000	2017 £000
Within one year	-	14
	-	14
	-	14

11. DEFERRED TAXATION

	2018 £000	2017 £000
At beginning of year	(4)	(12)
Charged to profit or loss	1	8
AT END OF YEAR	(3)	(4)
	(3)	(4)
	2018 £000	2017 £000
Accelerated capital allowances	(3)	(4)
	(3)	(4)
	(3)	(4)

WASTEPACK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. SHARE CAPITAL

	2018	2017
	£	£000
100 (2017 - 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

13. CONTINGENT LIABILITIES

The company provides cross guarantees in respect of bank overdrafts and mortgage loans available to other group companies. At the balance sheet date the gross overdraft balances and mortgage loans in respect of other group companies were £196,813 and £Nil respectively (2017 - £47,474 and £382,077). 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 £340,968 (2017 - £184,691).

14. 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 £196,813 (2017 - £45,927). At the year end the company owed £Nil (2017 - £Nil) to the fund.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£000	£000
Not later than 1 year	4	4
Later than 1 year and not later than 5 years	2	6
	<u>6</u>	<u>10</u>
	<u>6</u>	<u>10</u>

16. 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.

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.