

Company Registration No. 02568736 (England and Wales)

PAKAWASTE ENGINEERING SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

PAGES FOR FILING WITH REGISTRAR

PAKAWASTE ENGINEERING SERVICES LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 7

PAKAWASTE ENGINEERING SERVICES LIMITED**BALANCE SHEET****AS AT 31 JANUARY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		65,198		83,337
Current assets					
Stocks		63,303		49,673	
Debtors	4	427,190		224,163	
Cash at bank and in hand		283,674		539,528	
		<u>774,167</u>		<u>813,364</u>	
Creditors: amounts falling due within one year	5	<u>(191,119)</u>		<u>(186,018)</u>	
Net current assets			<u>583,048</u>		<u>627,346</u>
Total assets less current liabilities			648,246		710,683
Creditors: amounts falling due after more than one year	6		<u>(10,356)</u>		<u>(16,567)</u>
Net assets			<u><u>637,890</u></u>		<u><u>694,116</u></u>
Capital and reserves					
Called up share capital	7		400		400
Profit and loss reserves			<u>637,490</u>		<u>693,716</u>
Total equity			<u><u>637,890</u></u>		<u><u>694,116</u></u>

The director of the company has elected not to include a copy of the profit and loss account 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 and signed by the director and authorised for issue on 1 October 2018

Mr D R Hamer
Director

Company Registration No. 02568736

PAKAWASTE ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

Company information

Pakawaste Engineering Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Rough Hey Road, Grimsargh, Preston, PR2 5AR.

1.1 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.

1.2 Going concern

After making the appropriate enquiries, the director has concluded that the company will be able to meet its financial obligations and will continue to generate positive free cash flow for the foreseeable future and therefore have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue is recognised when the service has been carried out, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

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

Plant and machinery	20% straight line
Motor vehicles	25% straight line

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.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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).

PAKAWASTE ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

1.8 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 in the company's balance sheet 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 debtors, amounts due from fellow group undertakings 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

PAKAWASTE ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including trade creditors, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are only provided to the extent it is expected that there will be future taxable profits against which the asset will be relieved.

1.11 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.

1.12 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

PAKAWASTE ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

1.13 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2017 - 16).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 February 2017	246,909
Additions	24,750
Disposals	(20,838)
	<hr/>
At 31 January 2018	250,821
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Depreciation and impairment	
At 1 February 2017	163,572
Depreciation charged in the year	42,889
Eliminated in respect of disposals	(20,838)
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At 31 January 2018	185,623
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Carrying amount	
At 31 January 2018	65,198
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At 31 January 2017	83,337
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PAKAWASTE ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

4 Debtors	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	214,498	158,512
Amounts owed by group undertakings	176,355	37,163
Other debtors	28,746	23,950
	<u>419,599</u>	<u>219,625</u>
Amounts falling due after more than one year:		
Deferred tax asset	7,591	4,538
	<u>7,591</u>	<u>4,538</u>
Total debtors	<u>427,190</u>	<u>224,163</u>
5 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	62,497	37,979
Taxation and social security	92,288	105,112
Other creditors	36,334	42,927
	<u>191,119</u>	<u>186,018</u>
6 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Other creditors	10,356	16,567
	<u>10,356</u>	<u>16,567</u>
7 Called up share capital	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
400 Ordinary shares of £1 each	400	400
	<u>400</u>	<u>400</u>

PAKAWASTE ENGINEERING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

8 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 Christine Wilson.

The auditor was MHA Moore and Smalley.

9 Financial commitments, guarantees and contingent liabilities

The company has entered into an unlimited Inter-Company Guarantee dated 10 June 2015 (the "Agreement"), which is held as security for the Group bank facilities. Each participating related company (Brask and Cece Holdings Limited, Pakawaste Limited, Pakawaste Engineering Services Limited, System Rental UK Limited and Kelpack Hire Limited) has provided a guarantee to The Royal Bank of Scotland Group plc. Under the terms of the Agreement, The Royal Bank of Scotland Group plc is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debit balances within the Composite Accounting System. The maximum potential liability arising under this guarantee at the year end was £nil (2017: £315,052).

The Group bank facilities are also secured by debentures in all of the above participating companies.

10 Directors' transactions

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Loan to Mr D R Hamer	-	4,900	(4,900)	-
		<u>4,900</u>	<u>(4,900)</u>	<u>-</u>

11 Parent company

The company is a wholly owned subsidiary of Pakawaste Holdings Limited, a company registered in England and Wales.

The ultimate parent company is Brask and Cece Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Brask and Cece Holdings Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Cardiff or from its registered office which is the same as the address shown on the Company Information page.

There is no ultimate controlling party of Brask and Cece Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.