

Perrys Recycling Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2022

Perrys Recycling Limited

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Perrys Recycling Limited

(Registration number: 01195655)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	25,235	22,050
Tangible assets	<u>5</u>	1,986,760	1,679,431
Investment in associate	<u>6</u>	147,858	130,640
Investments	<u>7</u>	5,000	5,000
		<u>2,164,853</u>	<u>1,837,121</u>
Current assets			
Stocks	<u>9</u>	404,723	329,516
Debtors	<u>10</u>	1,247,565	1,110,329
Cash at bank and in hand		1,662,824	1,604,433
		3,315,112	3,044,278
Creditors: Amounts falling due within one year	<u>11</u>	<u>(1,641,325)</u>	<u>(1,261,953)</u>
Net current assets		<u>1,673,787</u>	<u>1,782,325</u>
Total assets less current liabilities		3,838,640	3,619,446
Creditors: Amounts falling due after more than one year	<u>11</u>	(148,347)	(234,714)
Provisions for liabilities		<u>(388,246)</u>	<u>(283,950)</u>
Net assets		<u>3,302,047</u>	<u>3,100,782</u>
Capital and reserves			
Called up share capital		3,200	3,200
Profit and loss account		<u>3,298,847</u>	<u>3,097,582</u>
Total equity		<u>3,302,047</u>	<u>3,100,782</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 4 August 2023 and signed on its behalf by:

Mr CJ Perry
Director

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Rimpton Road
Marston Magna
Yeovil
Somerset
BA22 8DL

These financial statements were authorised for issue by the Board on 4 August 2023.

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Name of parent of group

These financial statements are consolidated in the financial statements of Perrys Holdings Limited.
The financial statements of Perrys Holdings Limited may be obtained from Rimpton Road, Marston Magna, Yeovil, Somerset, BA22 8DL.

Going concern

Post year end a reduction in commodity prices for certain recyclable materials is having an impact on the recycling sector, against a background of lower generation and lower demand, mill downtime and closures around the world coupled with slow Chinese economy and weak economies in Europe. However, the directors are confident the business through bank reserves of the group and the current level of trading has adequate reserves and accordingly continues to prepare its financial statements on a going concern basis.

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 11 August 2023 was Mr Nigel Fry, who signed for and on behalf of Milsted Langdon LLP.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when all of the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- all of the significant risks and rewards of ownership have been transferred to the customer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

Government grants

Government grants are accrued on a systematic basis over the period that the related costs have been recognised. Where the costs have already been incurred then government grants are credited to the profit and loss account in full.

Finance income and costs policy

Interest income and expenses are recognised using the effective interest rate method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made. Goodwill has been fully amortised.

Intangible assets

Subsidy entitlement rights, in connection with gaining entitlement rights for income support from the land owned, are held at fair value. The income received from the rights is recognised in other income when the proceeds are received or receivable.

Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Property improvements	10% straight line
Other property, plant and equipment	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance or 25% straight line
Motor vehicles and trailers	20% reducing balance

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method.

Dividends on equity securities are recognised in income when receivable.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Other intangible assets	20% straight line

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when

- a) the contractual rights to the cash flows from the asset expire or are settled, or
- b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or
- c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of estimated cash flows discounted at the liability's original effective interest rate.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 67 (2021 - 63).

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

4 Intangible assets

	Goodwill £	Subsidy entitlement rights £	Other intangible assets £	Total £
Cost or valuation				
At 1 January 2022	178,468	22,050	-	200,518
Additions acquired separately	-	-	3,475	3,475
At 31 December 2022	178,468	22,050	3,475	203,993
Amortisation				
At 1 January 2022	178,468	-	-	178,468
Amortisation charge	-	-	290	290
At 31 December 2022	178,468	-	290	178,758
Carrying amount				
At 31 December 2022	-	22,050	3,185	25,235
At 31 December 2021	-	22,050	-	22,050

Intangible assets carried at revalued amounts

Subsidy entitlement rights, purchased in 2007, are in connection with gaining entitlement rights for income support from the land owned. They are held at fair value subject to a review by the directors at each year end. At 31 December 2022 they have been valued at £22,050 (2021 - £22,050). The valuation is based on the expectation that the income support will continue to be received and the amount expected to be received each year. Had the rights been carried using the cost model the carrying amount would be £Nil (2021 - £Nil).

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Notes to the Financial Statements for the Year Ended 31 December 2022

5 Tangible assets

	Property improvements £	Fixtures, fittings and equipment £	Motor vehicles and trailers £	Other property, plant and equipment £	Total £
Cost					
At 1 January 2022	68,031	172,378	2,749,620	6,165,187	9,155,216
Additions	8,293	19,760	237,490	236,585	502,128
Acquired through business combinations	-	9,620	78,707	32,522	120,849
Disposals	-	-	(58,394)	(89,563)	(147,957)
At 31 December 2022	76,324	201,758	3,007,423	6,344,731	9,630,236
Depreciation					
At 1 January 2022	22,387	129,168	2,284,448	5,039,782	7,475,785
Charge for the year	658	13,232	98,798	182,985	295,673
Eliminated on disposal	-	-	(52,124)	(75,858)	(127,982)
At 31 December 2022	23,045	142,400	2,331,122	5,146,909	7,643,476
Carrying amount					
At 31 December 2022	53,279	59,358	676,301	1,197,822	1,986,760
At 31 December 2021	45,644	43,210	465,172	1,125,405	1,679,431

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Notes to the Financial Statements for the Year Ended 31 December 2022

6 Investments in associate

	2022 £	2021 £
Investments in associates	<u>147,858</u>	<u>130,640</u>
Associates		£
Cost or valuation		
At 1 January 2022		130,640
Uplift in value of associate		<u>17,218</u>
At 31 December 2022		<u>147,858</u>
Carrying amount		
At 31 December 2022		<u>147,858</u>
At 31 December 2021		<u>130,640</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Associates				
The Shredding Alliance Holdings Limited	842 Garstang Road, Barton, Preston, England, PR3 5AA England and Wales	Ordinary	20%	20%

Associates

The Shredding Alliance Holdings Limited

The principal activity of The Shredding Alliance Holdings Limited is collection of non-hazardous waste.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

7 Fixed asset investments

	Investments £	Total £
Investments		
Cost		
At 1 January 2022	5,000	5,000
At 31 December 2022	5,000	5,000
Carrying amount		
At 31 December 2022	5,000	5,000
At 31 December 2021	5,000	5,000

8 Business combinations

On 31 December 2022, the trade, assets and liabilities of Evergreen Facilities Management (UK) Ltd were hived across to Perrys Recycling Limited, with exception of cash at bank.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed were acquired at market value by way of an intercompany loan and no goodwill arose on the transaction.

	2022 £
Assets and liabilities acquired	
Financial assets	75,771
Stocks	17,330
Tangible assets	120,849
Financial liabilities	(99,583)
Total identifiable assets	114,367

9 Stocks

	2022 £	2021 £
Finished goods and goods for resale	404,723	329,516

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

10 Debtors

		2022 £	2021 £
Current	Note		
Trade debtors		1,091,118	963,233
Amounts owed by related parties	<u>14</u>	-	14,405
Prepayments		156,447	110,513
Other debtors		-	22,178
		<u>1,247,565</u>	<u>1,110,329</u>

11 Creditors

		2022 £	2021 £
Due within one year	Note		
Loans and borrowings	<u>12</u>	107,029	86,265
Trade creditors		463,978	417,431
Amounts owed to group undertakings		519,541	169,424
Taxation and social security		200,694	371,437
Other creditors		21,042	11,465
Accruals and deferred income		329,041	205,931
		<u>1,641,325</u>	<u>1,261,953</u>

Loans and borrowings include net obligations under finance lease and hire purchase contracts which are secured of £107,029 (2021 - £86,265).

		2022 £	2021 £
Due after one year	Note		
Loans and borrowings	<u>12</u>	<u>148,347</u>	<u>234,714</u>

Loans and borrowings include net obligations under finance lease and hire purchase contracts which are secured of £148,347 (2021 - £234,714).

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Net obligations under finance lease and hire purchase contracts	148,347	234,714

	2022 £	2021 £
Current loans and borrowings		
Net obligations under finance lease and hire purchase contracts	107,029	86,265

13 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £158,518 (2021 - £447,686).

Amounts disclosed in the balance sheet

Included in the balance sheet are financial commitments of £268,444 (2021 - £347,566). These financial commitments relate to hire purchase agreements, which are secured against the assets to which they relate.

14 Related party transactions

Summary of transactions with all associates

During the year the associate company repaid the interest free loan in full.

Loans to related parties

	Associates £	Total £
2022		
At start of period	11,800	11,800
Repaid	(11,800)	(11,800)
At end of period	-	-
2021		
At start of period	26,100	26,100
Repaid	(14,300)	(14,300)
At end of period	11,800	11,800

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

15 Parent and ultimate parent undertaking

The company's immediate parent is Perrys Holdings Limited, incorporated in England and Wales.

These financial statements are available upon request from Perrys Recycling Limited, Rimpton Road, Marston Magna, Yeovil, Somerset, BA22 8DL.

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.