

REGISTERED NUMBER: 02046398 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017
FOR
RESOURCES MANAGEMENT U.K. LIMITED**

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for the Year Ended 30 April 2017

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RESOURCES MANAGEMENT U.K. LIMITED

COMPANY INFORMATION

for the Year Ended 30 April 2017

DIRECTORS:

J E Potter
Miss D M Potter

REGISTERED OFFICE:

Potter House
Henfaes Lane
Welshpool
Powys
SY21 7BE

REGISTERED NUMBER:

02046398 (England and Wales)

AUDITORS:

McLintocks Partnership Limited
Chartered Accountants
Statutory Auditors
The Coach House
25 Rhosddu Road
Wrexham
LL11 1EB

REPORT OF THE DIRECTORS
for the Year Ended 30 April 2017

The directors present their report with the financial statements of the company for the year ended 30 April 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of waste management and disposal including the operation of a landfill site.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

J E Potter
Miss D M Potter

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, McLintocks Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**REPORT OF THE DIRECTORS
for the Year Ended 30 April 2017**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

J E Potter - Director

29 January 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RESOURCES MANAGEMENT U.K. LIMITED

We have audited the financial statements of Resources Management U.K. Limited for the year ended 30 April 2017 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is 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'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RESOURCES MANAGEMENT U.K. LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Timothy Mitchell FCA (Senior Statutory Auditor)
for and on behalf of McLintocks Partnership Limited
Chartered Accountants
Statutory Auditors
The Coach House
25 Rhosddu Road
Wrexham
LL11 1EB

29 January 2018

INCOME STATEMENT
for the Year Ended 30 April 2017

	Notes	2017 £	2016 £
TURNOVER		6,552,175	5,217,681
Cost of sales		<u>4,455,748</u>	<u>3,759,132</u>
GROSS PROFIT		2,096,427	1,458,549
Administrative expenses		<u>494,885</u>	<u>751,752</u>
		1,601,542	706,797
Other operating income		<u>1,552</u>	<u>1,368</u>
OPERATING PROFIT	4	1,603,094	708,165
Interest payable and similar expenses	5	<u>76,994</u>	<u>156,748</u>
PROFIT BEFORE TAXATION		1,526,100	551,417
Tax on profit	6	<u>294,091</u>	<u>123,914</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,232,009</u>	<u>427,503</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the Year Ended 30 April 2017

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		1,232,009	427,503
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,232,009</u>	<u>427,503</u>

The notes form part of these financial statements

BALANCE SHEET

30 April 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	7		2,838,221		2,065,660
CURRENT ASSETS					
Stocks	8	1,000		1,000	
Debtors	9	2,223,350		2,329,944	
Cash at bank and in hand		<u>700,832</u>		<u>319,505</u>	
		2,925,182		2,650,449	
CREDITORS					
Amounts falling due within one year	10	<u>2,047,368</u>		<u>2,060,254</u>	
NET CURRENT ASSETS			<u>877,814</u>		<u>590,195</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,716,035		2,655,855
CREDITORS					
Amounts falling due after more than one year	11		(66,350)		(147,403)
PROVISIONS FOR LIABILITIES	13		<u>(1,569,467)</u>		<u>(1,660,243)</u>
NET ASSETS			<u>2,080,218</u>		<u>848,209</u>
CAPITAL AND RESERVES					
Called up share capital	14		660		660
Retained earnings	15		<u>2,079,558</u>		<u>847,549</u>
SHAREHOLDERS' FUNDS			<u>2,080,218</u>		<u>848,209</u>

The financial statements were approved by the Board of Directors on 29 January 2018 and were signed on its behalf by:

J E Potter - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 April 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2015	660	420,046	420,706
Changes in equity			
Total comprehensive income	-	427,503	427,503
Balance at 30 April 2016	660	847,549	848,209
Changes in equity			
Total comprehensive income	-	1,232,009	1,232,009
Balance at 30 April 2017	660	2,079,558	2,080,218

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 April 2017

1. STATUTORY INFORMATION

Resources Management U.K. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes, but including landfill tax.

Tangible fixed assets

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

Land & Buildings - 15 years straight line allowing for residual value

Landfill site - On the basis of voidspace used

Plant & Machinery - 4-15 years straight line

Fixtures & Fittings - 4-5 years straight line

Motor Vehicles - 4-5 years straight line

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Equity and financial instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on the equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

The company has elected to apply for provisions of Section 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised 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.

Hire purchase and leasing commitments

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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

2. **ACCOUNTING POLICIES - continued**

Employee benefits, 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 profit or loss in the period to which they relate.

Basic financial assets

Basic financial assets, which include trade and other debtors 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities and classification

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

Provisions

Provisions are in place for environmental and landfill costs.

Provisions for environmental and landfill costs include provisions associated with the closure and post closure of the landfill site. The company estimates its total future requirements for closure costs and for post closure monitoring and maintenance of the site after the anticipated closure.

Provision is made for final capping, inspection and monitoring and the operating and maintenance costs to be incurred during the period after which the site closes.

Post closure provisions have been shown at net present value. The current cost estimate has been inflated at 2.5% (2016: 2.5%) and discounted by 5.1% (2016: 5.1%). The unwinding of the discount element is shown in the financial statements as a financial item.

The company provides for closure costs as the voidspace is used. In accordance with FRS 102 Section 21 full provision has been made for the company's minimum unavoidable costs.

3. **EMPLOYEES AND DIRECTORS**

The average monthly number of persons (including directors) employed by the company during the year was 23 (2016: 18).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

4. OPERATING PROFIT

The operating profit is stated after charging:

	2017	2016
	£	£
Hire of plant and machinery	75,425	99,672
Depreciation - owned assets	303,328	142,726
Depreciation - assets under finance	71,571	34,176

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Unwinding discount on other provisions	67,690	153,587
Interest on corporation tax	2,250	-
Hire purchase	7,054	3,161
	<u>76,994</u>	<u>156,748</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	246,385	67,819
Corporation tax adjustment for prior periods	<u>3,252</u>	<u>3,095</u>
Total current tax	<u>249,637</u>	<u>70,914</u>
Deferred tax	<u>44,454</u>	<u>53,000</u>
Tax on profit	<u>294,091</u>	<u>123,914</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 May 2016	2,899,249	1,583,979	45,104	21,297	4,549,629
Additions	-	1,134,987	3,635	8,838	1,147,460
At 30 April 2017	<u>2,899,249</u>	<u>2,718,966</u>	<u>48,739</u>	<u>30,135</u>	<u>5,697,089</u>
DEPRECIATION					
At 1 May 2016	1,611,756	843,997	23,956	4,260	2,483,969
Charge for year	46,181	317,184	7,127	4,407	374,899
At 30 April 2017	<u>1,657,937</u>	<u>1,161,181</u>	<u>31,083</u>	<u>8,667</u>	<u>2,858,868</u>
NET BOOK VALUE					
At 30 April 2017	<u>1,241,312</u>	<u>1,557,785</u>	<u>17,656</u>	<u>21,468</u>	<u>2,838,221</u>
At 30 April 2016	<u>1,287,493</u>	<u>739,982</u>	<u>21,148</u>	<u>17,037</u>	<u>2,065,660</u>

The total net book value of assets under finance is £184,799.

8. STOCKS

	2017 £	2016 £
Stocks	<u>1,000</u>	<u>1,000</u>

9. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	759,601	909,248
Amounts due from group undertakings	-	137,056
Other debtors	217,914	79,062
Directors' current accounts	101,527	-
Deferred tax asset	57,546	102,000
Prepayments	<u>156,421</u>	<u>82,222</u>
	<u>1,293,009</u>	<u>1,309,588</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

9. DEBTORS - continued

	2017 £	2016 £
Amounts falling due after more than one year:		
Other debtors	<u>930,341</u>	<u>1,020,356</u>
Aggregate amounts	<u>2,223,350</u>	<u>2,329,944</u>
Deferred tax asset		
	2017 £	2016 £
Accelerated capital allowances	(50,152)	(10,171)
Other timing differences	<u>107,698</u>	<u>112,171</u>
	<u>57,546</u>	<u>102,000</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Hire purchase contracts (see note 12)	85,034	85,034
Trade creditors	354,879	251,012
Amounts owed to group undertakings	641,457	633,330
Tax	314,036	107,014
Social security and other taxes	12,874	15,243
VAT	169,059	253,621
Other creditors	374,511	451,930
Accrued expenses	<u>95,518</u>	<u>263,070</u>
	<u>2,047,368</u>	<u>2,060,254</u>

Hire purchase agreements are secured against the assets to which they relate.

Resources Management U.K. Limited, Potter's Waste Management Limited and Sundorne Products (Llanidloes) Limited have provided joint bank guarantees over group bank loans.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Hire purchase contracts (see note 12)	<u>66,350</u>	<u>147,403</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Hire purchase agreements are secured against the assets to which they relate.

Bank loans are secured by way of first legal mortgage over freehold properties, debentures comprising fixed and floating charges over the company assets and cross company guarantees.

12. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Net obligations repayable:		
Within one year	85,034	85,034
Between one and five years	66,350	147,403
	<u>151,384</u>	<u>232,437</u>

13. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Other provisions	<u>1,569,467</u>	<u>1,660,243</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 May 2016	(102,000)	1,660,243
Provided during year	-	(90,776)
Charge to Income Statement during year	50,152	-
Effect of change in tax rate	(5,698)	-
Balance at 30 April 2017	<u>(57,546)</u>	<u>1,569,467</u>

Provision has been made for the closure and post closure costs in relation to the landfill site restoration and maintenance in accordance with the accounting policy set out in note 2. The company expects these costs to be incurred over the next 65 years.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017 £	2016 £
660	Ordinary	£1	<u>660</u>	<u>660</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

15. RESERVES

	Retained earnings £
At 1 May 2016	847,549
Profit for the year	<u>1,232,009</u>
At 30 April 2017	<u>2,079,558</u>

16. PARENT COMPANY

The company is a 100% subsidiary of Potter's Waste Management Limited, a company registered in England and Wales which is wholly owned by Mr J Potter. The registered office is Potter House, Henfaes Lane, Welshpool, Powys, Wales SY21 7BE. The smallest and largest group of which Resources Management U.K. Limited is a member is headed by Potters Waste Management Limited.

The ultimate controlling party is considered to be Mr J Potter, the shareholder of Potter's Waste Management Limited, as a result of controlling 100% of the issued share capital of Resources Management U.K. Limited.

17. RELATED PARTY DISCLOSURES

During the year, a total of key management personnel compensation of £42,205 was paid.

The company advanced an interest-free loan to Potter's Waste Management Limited, the parent company, of £302,485 (2016: £94,305) in the year. The amount outstanding at the year end was £439,542 (2016: £137,056).

During the period there were cost recharges of £120,000 (2016: £48,398) made from Sundorne Products (Llanidloes) Limited, a 100% owned company by Potter's Waste Management Limited. At the year end there was a balance outstanding of £201,916 owed to Sundorne Products (Llanidloes) Limited (2016: £633,332).

Gwynt Cymru Limited is a 100% subsidiary of Potters GCL Limited, of which Mr J Potter and Miss D Potter are directors and Mr J Potter is a controlling shareholder. The balance outstanding at the year end was £930,341 (2016: £1,020,676).

During the year the amount of £101,527 was advanced to Mr J Potter in respect of the director's loan account.

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.