

Company Registration No. 02046398 (England and Wales)

RESOURCES MANAGEMENT U.K. LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

PAGES FOR FILING WITH REGISTRAR

PotterGroup

M C M' LINTOCKS
L

RESOURCES MANAGEMENT U.K. LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 9

RESOURCES MANAGEMENT U.K. LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		2,774,143		3,104,287
Current assets					
Stocks	4	7,999		1,094	
Debtors	5	4,147,077		4,375,240	
Cash at bank and in hand		125,882		588,257	
		<u>4,280,958</u>		<u>4,964,591</u>	
Creditors: amounts falling due within one year	6	<u>(1,831,993)</u>		<u>(3,037,985)</u>	
Net current assets			2,448,965		1,926,606
Total assets less current liabilities			<u>5,223,108</u>		<u>5,030,893</u>
Creditors: amounts falling due after more than one year	7		(70,683)		(19,144)
Provisions for liabilities	8		<u>(2,159,575)</u>		<u>(2,258,097)</u>
Net assets			<u>2,992,850</u>		<u>2,753,652</u>
Capital and reserves					
Called up share capital	9		660		660
Profit and loss reserves			<u>2,992,190</u>		<u>2,752,992</u>
Total equity			<u>2,992,850</u>		<u>2,753,652</u>

The directors of the company have 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 by the board of directors and authorised for issue on 29 January 2020 and are signed on its behalf by:

Mr J E Potter
Director

Company Registration No. 02046398

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Resources Management U.K. Limited is a private company limited by shares incorporated in England and Wales. The registered office is Potter House, Henfaes Lane, Welshpool, Powys, SY21 7BE.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Potter's Waste Management Limited. These consolidated financial statements are available from its registered office, Potter Group, Potter House, Henfaes Lane, Welshpool, Powys, SY21 7BE.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company, and the revenue can be reliably measured once the goods or services are provided to the customer. Income from waste disposal is recognised at the point of disposal. Income from landfill activities include landfill tax at the prevailing rate. Turnover is measured 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 with the exception of landfill tax.

1.4 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Freehold land and buildings	15 years straight line allowing for residual value
Landfill site	On the basis of voidspace used allowing for residual value
Plant and equipment	2 to 15 years straight line
Fixtures and fittings	3 to 5 years straight line
Motor vehicles	4 to 5 years 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after making allowance for obsolete and slow moving items.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 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 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.

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.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including 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. 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 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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

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

A provision is made for the final capping, inspection, monitoring, 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% (2018: 2.5%) and discounted by 4.85% (2018: 5.1%). The unwinding of the discount element is shown in the financial statements as a financial item.

The company provides for full 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.

The company estimated these costs to be incurred over the next 51 years.

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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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 profit or loss 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 profit or loss 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 leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 19 (2018 - 18).

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 May 2018	2,899,249	3,483,499	6,382,748
Additions	-	359,005	359,005
At 30 April 2019	2,899,249	3,842,504	6,741,753
Depreciation and impairment			
At 1 May 2018	1,710,185	1,568,276	3,278,461
Depreciation charged in the year	51,267	637,882	689,149
At 30 April 2019	1,761,452	2,206,158	3,967,610
Carrying amount			
At 30 April 2019	1,137,797	1,636,346	2,774,143
At 30 April 2018	1,189,064	1,915,223	3,104,287

The total net book value of assets under finance is £169,262 (2018: £110,218)

4 Stocks

	2019 £	2018 £
Stocks	7,999	1,094

5 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,024,205	1,267,406
Amounts owed by group undertakings	1,754,518	1,684,647
Other debtors	1,275,380	1,308,414
	4,054,103	4,260,467
Deferred tax asset	92,974	114,773
	4,147,077	4,375,240

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	568,550	638,039
Corporation tax	160,588	212,235
Other taxation and social security	270,551	736,090
Other creditors	832,304	1,451,621
	<u>1,831,993</u>	<u>3,037,985</u>

7 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	<u>70,683</u>	<u>19,144</u>

Finance lease liabilities are included within other creditors and are secured against the assets to which they relate.

8 Provisions for liabilities

	2019 £	2018 £
Landfill provision	<u>2,159,575</u>	<u>2,258,097</u>

A provision has been made for the capping, closure and post closure costs in relation to the landfill site restoration and maintenance in accordance with the accounting policy set out in note 1.10. The company expects these costs to be incurred over the next 51 years.

9 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
660 Ordinary shares of £1 each	<u>660</u>	<u>660</u>

10 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 Timothy Mitchell BSc FCA.
The auditor was McLintocks (NW) Limited.

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
116,921	82,566

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The company advanced an interest-free loan to Potter's Waste Management Limited (the parent company) of £504,161, (2018: £502,666) in the year. Potter's Waste Management Limited charged a management fee to Resources Management U.K. Limited for the sum of £115,672 (2018: £119,309). The amount outstanding owed to Resources Management U.K. Limited at 30 April 2019 was £349,590 (owing in 2018: £56,185).

During the period there were cost recharges of £15,600 (2018: £18,200) made from Sundorne Products (Llanidloes) Limited, and cost recharges of £1,662,033 (2018: £3,122,266) made to Sundorne Products (Llanidloes) Limited, a wholly owned subsidiary of Potter's Waste Management Limited. At 30 April 2019 there was a balance outstanding of £1,354,488 (2018: £1,740,829) owed from Sundorne Products (Llanidloes) Limited. No interest is charged on balances between group companies.

During the year the company made payments of £50,440 (2018: £nil) on behalf of Potters (Midlands) Limited, a wholly owned subsidiary of Potter's Waste Management Limited. The balance owed to Resources Management U.K. Limited at 30 April 2019 was £50,440 (2018: £nil).

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 30 April 2019 was £753,563 (2018: £930,881).

During the year the company made payments on behalf of GF Potter, a partnership in which Mr J Potter is a proprietor. The balance outstanding owed to the company at 30 April 2019 was £56,683 (owing in 2018: £1,424).

During the year, the company received £9,950 from Potter Properties Limited, a company in which Mr J Potter is a director. The balance outstanding at 30 April 2019 was £nil (2018: £9,590).

During the year, Mr J Potter advanced monies of £140,500 and was repaid monies of £145,147. At 30 April 2019 Mr J Potter owed the company £5,611 (was owed in 2018: £194).

During the year the company made payments of £107,635 (2018: £nil) on behalf of Fox Complex Limited, a company in which Mr J Potter is the sole shareholder. The balance owed to Resources Management U.K. Limited at 30 April 2019 was £107,635 (2018: £nil).

During the year the company made payments of £28,261 (2018: £nil) on behalf of James and Jean Potter Limited, a company in which Mr J Potter is a shareholder. The balance owed to Resources Management U.K. Limited at 30 April 2019 was £28,261 (2018: £nil).

RESOURCES MANAGEMENT U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

13 Parent company

Resources Management U.K. Limited is a 100% subsidiary of Potter's Waste Management Limited, a company registered in England and Wales. The registered office is Potter House, Henfaes Lane, Welshpool, Powys, Wales SY21 7BE.

The ultimate controlling party of Potter's Waste Management Limited is Mr J Potter by virtue of his 100% shareholding.

The smallest and largest group of which Resources Management U.K. Limited is a member is headed by Potter's Waste Management 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.