Company number:
03290431

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

MOORE STEPHENS
CHARTERED ACCOUNTANTS
STATUTORY AUDITORS
RUTLAND HOUSE
MINERVA BUSINESS PARK
LYNCH WOOD
PETERBOROUGH
CAMBRIDGESHIRE
PE2 6PZ

BALLAST PHOENIX LIMITED

COMPANY INFORMATION

Company number:	03290431
Directors:	D M York A C G Van Beurden P C L Knight H P van der Meer L B van Rietschoten
Registered office:	Victoria Stables South Road Bourne Lincolnshire PE10 9JZ
Statutory auditors:	Moore Stephens Chartered Accountants Statutory Auditors Rutland House Minerva Business Park Lynch Wood Peterborough Cambridgeshire PE2 6PZ
Bankers:	HSBC 3 North Street Bourne PE10 9AE
Solicitors:	Hegarty & Co 48 Broadway Peterborough PE1 1YW

BALLAST PHOENIX LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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BALLAST PHOENIX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

Introduction

The principal activity of the company is the processing and marketing of incinerator bottom ash (IBA) to recover and produce aggregate thus avoiding land filling of IBA.

There has not been any significant change in this activity during the year.

Review of business

2013 saw a slight recovery in the construction market. Although cautious about the future it is the first signs since 2011 of a small recovery in the market, however the difficulties faced in the global economy still give cause for concern over the next three to five years.

The sale of aggregates will continue to face difficulties until the demand of resources recover and in the medium term we will not see any growth in the selling price of the material.

Issues were faced at our facility at Ridham where KEL supplied out of specification material. This instigated a notice from the EA to BPL and a temporary stoppage of operations, which impacted on our financial results for 2013. This issue led to intensified communication between the EA and the ESA with respect to the IBA sampling protocol. As at year end, this was still to be finalised.

In line with our strategy, we have worked to improve our market base and have seen in 2012 strong sales of aggregate materials whilst metals prices throughout the year were varied and inconsistent throughout the year.

Our strategy to develop and improve our current facilities continued through 2013 which will support our forecast for increase revenue and sales in 2014, 2015 and 2016 as set out by the Board of Directors.

Future developments

Development projects schedules for 2013 have been completed in London and we will see a new facility on line in early 2014 at Teesside. Additional facility improvements will continue for 2014 at Birmingham and Sheffield to improve performance, facilitate a streamline of the process and allow for additional volumes. This will lead to an increase in workforce as well as longer term agreements with our clients for these facilities.

Research and Development continues to allow the expansion and growth of our business, allowing new opportunities to be afforded in new sectors of the industry. We remain focused on ensuring that the projects identified for 2014 and 2015 are expedited to allow for the growth of our sales whilst realising market value.

BALLAST PHOENIX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

Financial risk management objectives and policies

The company uses various financial instruments which include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage such risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company policy throughout the year has been to manage this risk through the day to day involvement of management in business decisions other than through setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through retained profits and finance lease agreements.

The balance sheet includes trade debtors and creditors which do not attract interest.

The company policy throughout the year has been to manage this risk through the day to day involvement of management in business decisions.

On behalf of the board

....
P C L Knight
Director

Date: 20/3/14

Victoria Stables
South Road
Bourne
Lincolnshire
PE10 9JZ

BALLAST PHOENIX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year amounted to £3,408,218 which has been transferred to reserves. Dividends of £1,439,734 were paid during the year. In accordance with FRS 21 – Events After the Balance Sheet Date, final dividends are only provided if they have been declared before the balance sheet date.

The results for the year are set out on page 7.

Donations

Political and charitable donations did not exceed £2,000 in the year.

Directors

The directors who served during the year were as follows:

D M York
A C G Van Beurden
P C L Knight
H P van der Meer
L B van Rietschoten

Responsibilities of the directors

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and law). The financial statements are required by law to 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors are responsible for keeping adequate accounting records that 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. In the case of each of the persons who are directors at the time when the directors report is approved:

- so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Moore Stephens, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the board

....

P C L Knight
Director

Date: 20/2/14

Victoria Stables
South Road
Bourne
Lincolnshire
PE10 9JZ

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLAST PHOENIX LIMITED

We have audited the financial statements of Ballast Phoenix Limited for the year ended 31 December 2013 on pages 7 to 22. 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).

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 auditor's 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.

Respective responsibilities of directors and auditors
As explained more fully in the directors' responsibilities statement (set out in the directors' report), 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 (APB'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 Directors' Report 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 misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLAST PHOENIX 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 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.

....
Andrew Hancock FCCA
Senior Statutory Auditor
For and on behalf of Moore Stephens
Chartered Accountants
Statutory Auditors
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
Cambridgeshire
PE2 6PZ

Dated: 27.2.14

BALLAST PHOENIX LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	Restated 2012 £
Turnover	2	18,767,466	17,228,351
Cost of sales		(12,059,193)	(10,825,734)
Gross profit		6,708,273	6,402,617
Administrative expenses		(2,125,593)	(1,727,057)
Operating profit	3	4,582,680	4,675,560
Other interest receivable and similar income		9,171	1,757
Interest payable	6	(107,354)	(150,808)
Profit on ordinary activities before taxation		4,484,497	4,526,509
Tax on profit on ordinary activities	7	(1,076,279)	(1,086,775)
Profit for the year		3,408,218	3,439,734

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2013 therefore turnover and operating profit derive entirely from continued operations.

The company has no recognised gains or losses other than the profit for the financial year.

The annexed notes form part of these financial statements.

COMPANY NUMBER: 03290431

BALLAST PHOENIX LIMITED

BALANCE SHEET

AT 31 DECEMBER 2013

	Note		2013		2012	
			£	£	£	£
Fixed assets						
Tangible assets	8			6,308,562		5,219,239
Current assets						
Stocks	9		238,158		161,791	
Debtors						
Trade debtors		2,960,212		2,999,550		
Amounts owed by group undertakings		704,804		1,001,250		
Prepayments		282,812		462,963		
	10		3,947,828		4,463,763	
Cash at bank and in hand			417,962		268,587	
			4,603,948		4,894,141	
Creditors						
Amounts falling due within one year	11		(4,763,384)		(4,783,334)	
Net current (liabilities)/assets				(159,436)		110,807
Total assets less current liabilities				6,149,126		5,330,046
Creditors						
Amounts falling due after more than one year	12			(650,420)		(1,669,561)
Provisions for liabilities	13			(307,516)		(437,779)
Net assets				5,191,190		3,222,706
Capital and reserves						
Called up share capital	14			302,500		302,500
Other reserves	15			1,129,189		1,129,189
Profit and loss account	16			3,759,501		1,791,017
Shareholders' funds	17			5,191,190		3,222,706

Approved by the board of directors on 20/2/14 and signed on its behalf.

P C L Knight
Director

The annexed notes form part of these financial statements.

BALLAST PHOENIX LIMITED

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	18	5,808,409	5,390,520
Returns on investments and servicing of finance	19	(98,183)	(149,051)
Taxation		(1,166,215)	(1,237,253)
Capital expenditure	19	(2,119,969)	(603,717)
Equity dividends paid		(1,439,734)	(4,000,000)
		984,308	(599,501)
Financing	19	(834,933)	(811,501)
Increase/(decrease) in cash		149,375	(1,411,002)

1. Accounting policies

These financial statements have been prepared in accordance with applicable accounting standards.

Turnover
Turnover represents income receivable from the processing and marketing of incinerator bottom ash in the period, exclusive of Value Added Tax and trade discounts.

One of the company's income streams is the receipt of a tonnage fee from incinerator operators for taking IBA from them and thereby reducing their landfill burden. Owing to the nature and location of each site, some contracts provide for this fee to be paid on collection or delivery of the IBA to our processing site, whereas others provide for payment when the processed material leaves the site. The directors believe the most appropriate accounting policy is that revenue is recognised in accordance with the contractual position.

Depreciation of fixed assets
Depreciation has been computed to write off the cost of fixed assets over their expected useful lives on a monthly basis at the following rates:-

Plant and operating facilities	5-10 years straight line
Fixtures and fittings	33.33% per annum straight line

Stocks
Stocks and work in progress are valued consistently at the lower of cost (on a first in, first out basis) and net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.

Pre contract costs
UITF 34 (Pre Contract Costs) requires pre contract costs to be expensed as incurred. Costs, directly attributable to a specific contract, will be recognised as an asset where it is virtually certain that the contract is expected to result in future profits.

Debtors
Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full.

Deferred taxation
Deferred tax assets and liabilities have arisen from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. In accordance with Financial Reporting Standard No.19, full provision is made for all liabilities, and provision is made for assets to the extent that they are considered more likely than not to be recoverable in the foreseeable future. Provision is made using tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based upon rates enacted at the balance sheet date.

Research and development
Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

Foreign exchange
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Leasing
Leasing rentals payable on agreements which transfer substantially all the risk and rewards associated with ownership of the lessee ("finance leases") are capitalised within fixed assets, and the obligation to pay future rentals included in creditors as a liability. The interest charges implicit in such a lease are written off to the profit and loss account in proportion to the balance outstanding during the year.

All other leasing rentals ("operating leases") are written off to the profit and loss account on a straight line basis over the lease term.

Pension costs
The company operates a defined contribution pension scheme and pension contributions are charged to the profit and loss account as they fall due.

Dividends
In accordance with FRS 21 - Events After the Balance Sheet Date, final dividends are only provided if they have been declared before the balance sheet date.

2. Turnover

Turnover is attributable solely to continuing operations.

The directors consider that all turnover arises from one geographical segment as defined by accounting standards. The segment is the geographical area in which the company operates.

	2013 £	2012 £
The analysis of turnover by area is as follows:		
United Kingdom and Eire	18,767,466	17,228,351
	18,767,466	17,228,351

3. Operating profit

		2013 £	2012 £
This is stated after charging:			
Directors' emoluments		236,246	191,048
Company contributions to money purchase schemes in relation to directors' pensions		2,214	3,333
Total directors' emoluments		238,460	194,381
Auditors' remuneration	- audit services	12,350	11,600
	- non-audit services	4,300	4,850
Depreciation of owned assets		576,853	551,346
Depreciation of assets held under finance leases and hire purchase contracts		453,793	453,793
Pension costs		46,103	42,484
Hire of plant and machinery	- operating leases	1,147,680	979,760
	- other	102,799	207,837

4. Directors' emoluments

	2013 £	2012 £
Directors' emoluments	236,246	191,048
Company contributions to money purchase schemes in relation to directors pensions	2,214	3,333

The above details include the following amounts in respect of the highest paid director:

Director's emoluments	128,764	106,119
Company contributions to money purchase schemes in relation to directors pensions	2,214	3,333

Earnings amounting to £12,601 were paid to directors in 2012 in a period before they were appointed as a director and so this amount is excluded from the figure show above.

Benefits in kind included in Directors' emoluments are reported parallel to the tax year (5 April).

5. Staff costs

The average number of persons employed by the company, including directors, during the year was as follows:

	2013	2012
Management, including directors	17	17
Operational	49	45
Administration	10	7
	76	69

The aggregate payroll costs of these persons were as follows:

	2013 £	2012 £
Wages and salaries	2,832,863	2,479,423
Social security	290,073	292,659
Other pension costs	48,317	42,484
	3,171,253	2,814,566

6. Interest payable

	2013 £	2012 £
Hire purchase interest	107,354	150,808

7. **Taxation on profit on ordinary activities**

	2013 £	2012 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	1,002,407	1,117,269
Adjustments in respect of previous period	61,383	-
Total current tax	1,063,790	1,117,269
Deferred tax:		
Origination and reversal of timing differences	12,489	(30,494)
Tax on profit on ordinary activities	1,076,279	1,086,775

Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	4,484,497	4,526,509
Standard UK corporation tax rate:	23.00 %	24.00 %
Profit/(loss) on ordinary activities multiplied by standard UK corporation tax rate:	1,031,434	1,086,362
Effects of:		
Expenses not deductible for tax purposes	5,200	72,423
Depreciation in excess of capital allowances	(36,162)	(30,494)
Adjustments for prior periods	61,383	-
Other differences	1,935	(11,022)
Current tax charge for the year	1,063,790	1,117,269

8. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Assets Under construction £	Total £
Cost:				
At 1 January 2013	8,985,995	123,926	413,529	9,523,450
Additions	301,167	-	1,818,802	2,119,969
Reclassifications	413,529	-	(413,529)	-
At 31 December 2013	9,700,691	123,926	1,818,802	11,643,419
Depreciation:				
At 1 January 2013	4,198,094	106,117	-	4,304,211
Charge for the year	1,020,092	10,554	-	1,030,646
At 31 December 2013	5,218,186	116,671	-	5,334,857
Net book value:				
At 31 December 2013	4,482,505	7,255	1,818,802	6,308,562
At 31 December 2012	4,787,901	17,809	413,529	5,219,239

The net book value of assets held under hire purchase and finance lease contracts is analysed as follows:

	2013 £	2012 £
Plant and Machinery	2,534,091	2,987,884

9. Stocks

	2013 £	2012 £
Finished goods	238,158	161,791
	238,158	161,791

10. Debtors

	2013 £	2012 £
Due within one year:		
Trade debtors	2,960,212	2,999,550
Amounts owed by group undertakings	704,804	1,001,250
Prepayments	282,812	462,963
	3,947,828	4,463,763

11. Creditors - amounts falling due within one year

	2013 £	2012 £
Trade creditors	2,022,051	1,928,032
Amounts owed to group undertakings	-	67,705
Corporation tax	504,498	606,923
Other taxes and social security	526,799	613,549
Obligations under finance leases and hire purchase contracts	1,019,141	834,933
Accruals and deferred income	690,895	732,192
	4,763,384	4,783,334

Finance lease and hire purchase creditors are secured on the assets concerned.

Of the creditors falling due within one year £1,019,141 (2012: £834,933) is secured.

12. Creditors - amounts falling due after more than one year

	2013 £	2012 £
Obligations under finance leases and hire purchase contracts	650,420	1,669,561

The maturity of these amounts is as follows:

	2013 £	2012 £
Amounts payable:		
Within one year	1,019,141	834,933
Between one and two years	650,420	1,019,141
Between two and five years	-	650,419
	1,669,561	2,504,493

Finance lease and hire purchase creditors are secured on the assets concerned.

Of the creditors falling due after more than one year £650,420 (2012: £1,669,561) is secured.

13. Provisions for liabilities

	Deferred taxation	Other provisions	Total
	£	£	£
Balance at 1 January 2013	295,027	142,752	437,779
Utilised for the year in profit and loss account	12,489	(142,752)	(130,263)
Balance at 31 December 2013	307,516	-	307,516

The deferred tax provision arises as follows:

	Provided		Maximum potential liability	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	307,516	295,027	307,516	295,027
	307,516	295,027	307,516	295,027

Other provisions relate to contracted losses.

14. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	302,500	302,500

15. Capital redemption reserve

	2013
	£
Balance at 1 January 2013 & 31 December 2013	1,129,189

16. Profit and loss account

		2013
		£
Balance at 1 January 2013		1,791,017
Profit for the year		3,408,218
Dividends	- relating to 2012	(1,439,734)
Balance at 31 December 2013		3,759,501

17. Reconciliation of movements in shareholders' funds

		2013	2012
		£	£
Profit for the financial year		3,408,218	3,439,734
Dividends	- relating to 2011	-	(2,000,000)
	- relating to 2012	(1,439,734)	(2,000,000)
		1,968,484	(560,266)
Shareholders' funds at 1 January 2013		3,222,706	3,782,972
Shareholders' funds at 31 December 2013		5,191,190	3,222,706

18. Reconciliation of operating profit to net cash inflow from operating activities

	2013 £	2012 £
Operating profit	4,582,680	4,675,560
Depreciation charges	1,030,646	1,005,139
(Increase)/decrease in stocks	(76,367)	39,514
Decrease/(increase) in debtors	515,935	(811,467)
(Decrease)/increase in creditors	(101,733)	339,022
(Decrease)/increase in provisions	(142,752)	142,752
Net cash flow from operating activities	5,808,409	5,390,520

19. Gross cash flows

	2013 £	2013 £	2012 £
Returns on investments and servicing of finance			
Interest received	9,171		1,757
Interest paid	(107,354)		(150,808)
		(98,183)	(149,051)
Capital expenditure			
Payments to acquire tangible fixed assets	(2,106,049)		(603,717)
		(2,106,049)	(603,717)
Financing			
Capital element of finance lease rental repayments	(834,933)		(811,501)
		(834,933)	(811,501)

20. Reconciliation of net cash flow to movement in net debt

	2013 £	2013 £	2012 £
Increase/(decrease) in cash in the year	149,375		(1,411,002)
Cash outflow from decrease in debt and lease financing	834,933		811,501
Change in net debt resulting from cash flows		984,308	(599,501)
Movement in net debt in the year		984,308	(599,501)
Net debt at 1 January 2013		(2,235,907)	(1,636,406)
Net debt at 31 December 2013		(1,251,599)	(2,235,907)

21. Analysis of net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Net cash:				
Cash at bank and in hand	268,587	149,375	-	417,962
Debts due within one year:				
Finance leases	(834,933)	834,933	(1,019,141)	(1,019,141)
Debts due after one year:				
Finance leases	(1,669,561)	-	1,019,141	(650,420)
Net (debt)/fund	(2,235,907)	984,308	-	(1,251,599)

22. Leasing commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Operating leases which expire:				
Within one year	19,500	15,008	19,500	24,833
Between 1 to 2 years	-	78,999	-	43,198
After 5 years	160,106	-	160,106	-
	179,606	94,007	179,606	68,031

23. Pension costs

The company operates a defined contribution pension scheme in respect of employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £48,317 (2012: £42,484).

24. Related party transactions

The company has taken advantage of the exemption available under FRS 8 from the disclosures relating to transactions with other group companies.

At the year end an amount of £Nil (2012: £67,705) was due to Feniks Recycling and £704,804 (2012: £1,001,250) due from Feniks Recycling.

Feniks Recycling have also given a guarantee in respect of the company's finance lease obligations.

25. Transactions with directors and officers

The premises from which the head office operates are owned by D M York, a director.

The rent paid in the year was £19,500 (2012: £19,500). There was no balance outstanding at the year end. The annual lease commitment is £19,500 (2012: £19,500).

26. Prior year figures

At the start of 2013, the directors and management of the company reviewed the administrative costs of the company that were directly attributable to costs of goods sold. This review resulted in fewer items being identified as costs of sales. As a result costs of sales have decreased by £432,217. The 2012 comparatives have also been restated resulting in a decrease in costs of sales by £321,765.

27. **Ultimate holding company**

The immediate parent undertaking is Recycling Maatschappij "Feniks" BV, trading as Feniks Recycling. Feniks Recycling own 92.5% of the allotted ordinary share capital of the company.

The ultimate parent undertaking is Ballast Nedam NV, company number 33201106, registered in the Netherlands. Group accounts can be obtained from www.ballast-nedam.nl.

28. **Ultimate controlling party**

In the opinion of the directors there is no ultimate controlling party.