

TAURUS WASTE RECYCLING (HOLDINGS) LTD
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2019

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

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for the year ended 31 October 2019

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TAURUS WASTE RECYCLING (HOLDINGS) LTD

COMPANY INFORMATION
for the year ended 31 October 2019

DIRECTORS: S T Mills
P J Scarborough
S T Watkins
G R Bird

SECRETARY: Mrs J A Scarborough

REGISTERED OFFICE: Taurus House
Lynchford Lanc
Farnborough
Hampshire
GU4 6JB

REGISTERED NUMBER: 04281987

AUDITORS: HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

GROUP STRATEGIC REPORT
for the year ended 31 October 2019

The directors present their strategic report of the company and the group for the year ended 31 October 2019.

REVIEW OF BUSINESS

The company performed well during the financial year to 31 October 2019 generating a profit before tax of £286,207 (2018 £54,386). Year on year revenues grew by 3.2% to £8.17m (2018: 7.92m) and operating profit by 32.4% to £420,107 (2018: £317,395).

Whilst the overall performance is welcomed by the board it recognises that challenges remain such as an upward pressure on waste disposal costs relative to turnover which increased by 4% when compared to the previous period.

During the year the company continued in its commitment to streamlining services and maximising technology to improve its administrative systems. The implementation of a new software system was initiated which, once completed, will result in fully paperless customer transactions. Significant growth in the volume of web orders was also observed through the year and will be an area to develop going forward.

In 2020 the directors' primary focus will be placed on maintaining and improving the position of the company in the market coupled with the continued implementation of cost reduction measures. To this end the board will actively investigate new operating arenas and technologies to improve its recycling and financial performance and invest where beneficial returns can be demonstrated.

PRINCIPAL RISKS AND UNCERTAINTIES

here are a number of potential risks and uncertainties going forward which may impact future performance.

At the time of writing this review the world has been stricken by the Coronavirus pandemic. The resultant Government action has had a significant negative effect on the UK economy and this will continue at least into the medium term and probably longer. Due to the nature of the pandemic the severity of the damage that it causes to the economy and thus the ongoing performance of the company cannot be confidently forecast at this stage.

Coupled with this is the unknown outcome of the EU trade deal negotiations which will need to be concluded or extended by the end of 2020. The uncertainty resulting from a failure to obtain a deal could be significant as a large quantity of the UKs waste is currently sent to Europe, mainly for waste to energy. During the financial year the Company made a decision to source more UK based outlets for the disposal of its waste and recycled materials in order to mitigate the risks which may arise if an EU trade deal is not forthcoming. The board will continue with this strategy until there is more certainty in relation to the EU trade situation.

During the winter of 2019-20 the Company will renew a large module of its recycling plant at its Aldershot recycling centre. Whilst plans are in place to minimise operational disruption there is risk that recycling efficiencies will be reduced during the project.

The directors have reviewed the company position and form the view that it currently has sufficient liquidity and credit resources for its operational requirements.

ON BEHALF OF THE BOARD:

P J Scarborough - Director

30 October 2020

REPORT OF THE DIRECTORS
for the year ended 31 October 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 October 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2018 to the date of this report.

S T Mills
P J Scarborough
S T Watkins
G R Bird

Other changes in directors holding office are as follows:

R Bird - resigned 31 December 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

REPORT OF THE DIRECTORS
for the year ended 31 October 2019

AUDITORS

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

ON BEHALF OF THE BOARD:

P J Scarborough - Director

30 October 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TAURUS WASTE RECYCLING (HOLDINGS) LTD

Opinion

We have audited the financial statements of Taurus Waste Recycling (Holdings) Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 October 2019 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TAURUS WASTE RECYCLING (HOLDINGS) LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TAURUS WASTE RECYCLING (HOLDINGS) LTD

Use of our report

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.

Lance Redman (Senior Statutory Auditor)
for and on behalf of HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

30 October 2020

TAURUS WASTE RECYCLING (HOLDINGS) LTD (REGISTERED NUMBER: 04281987)

CONSOLIDATED INCOME STATEMENT
for the year ended 31 October 2019

	Notes	2019 £	2018 £
TURNOVER		8,170,171	7,916,792
Cost of sales		<u>(5,530,939)</u>	<u>(5,227,973)</u>
GROSS PROFIT		2,639,232	2,688,819
Administrative expenses		<u>(2,219,125)</u>	<u>(2,371,421)</u>
OPERATING PROFIT	4	420,107	317,398
Exceptional item	5	<u>-</u>	<u>(129,645)</u>
		420,107	187,753
Interest payable and similar expenses	6	<u>(133,900)</u>	<u>(133,367)</u>
PROFIT BEFORE TAXATION		286,207	54,386
Tax on profit	7	<u>(56,891)</u>	<u>(17,376)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>229,316</u>	<u>37,010</u>
Profit attributable to:			
Owners of the parent		<u>229,316</u>	<u>37,010</u>

The notes form part of these financial statements

TAURUS WASTE RECYCLING (HOLDINGS) LTD (REGISTERED NUMBER: 04281987)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the year ended 31 October 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		229,316	37,010
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>229,316</u>	<u>37,010</u>
Total comprehensive income attributable to: Owners of the parent		<u>229,316</u>	<u>37,010</u>

The notes form part of these financial statements

TAURUS WASTE RECYCLING (HOLDINGS) LTD (REGISTERED NUMBER: 04281987)

CONSOLIDATED BALANCE SHEET

31 October 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	5,168,839	4,402,772
Investments	11	-	-
		<u>5,168,839</u>	<u>4,402,772</u>
CURRENT ASSETS			
Stocks	12	18,498	55,484
Debtors	13	1,203,784	1,255,722
Cash at bank and in hand		283,494	177,237
		<u>1,505,776</u>	<u>1,488,443</u>
CREDITORS			
Amounts falling due within one year	14	(1,728,461)	(1,548,470)
NET CURRENT LIABILITIES		<u>(222,685)</u>	<u>(60,027)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,946,154	4,342,745
CREDITORS			
Amounts falling due after more than one year	15	(1,999,109)	(1,681,906)
PROVISIONS FOR LIABILITIES	19	(275,316)	(218,426)
NET ASSETS		<u>2,671,729</u>	<u>2,442,413</u>
CAPITAL AND RESERVES			
Called up share capital	20	600,000	600,000
Retained earnings	21	2,071,729	1,842,413
SHAREHOLDERS' FUNDS		<u>2,671,729</u>	<u>2,442,413</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 October 2020 and were signed on its behalf by:

P J Scarborough - Director

S T Mills - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET

31 October 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments	11	495,932	495,932
		<u>495,932</u>	<u>495,932</u>
CURRENT ASSETS			
Debtors	13	92,957	92,957
Cash at bank		1	1
		<u>92,958</u>	<u>92,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>588,890</u>	<u>588,890</u>
CAPITAL AND RESERVES			
Called up share capital	20	600,000	600,000
Retained earnings		(11,110)	(11,110)
SHAREHOLDERS' FUNDS		<u>588,890</u>	<u>588,890</u>
Company's profit for the financial year		<u>-</u>	<u>-</u>

The financial statements have been prepared 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 30 October 2020 and were signed on its behalf by:

.....
P J Scarborough - Director

.....
S T Mills - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 October 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2017	600,000	1,805,403	2,405,403
Changes in equity			
Total comprehensive income	-	37,010	37,010
Balance at 31 October 2018	<u>600,000</u>	<u>1,842,413</u>	<u>2,442,413</u>
Changes in equity			
Total comprehensive income	-	229,316	229,316
Balance at 31 October 2019	<u>600,000</u>	<u>2,071,729</u>	<u>2,671,729</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 October 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2017	600,000	(11,110)	588,890
Changes in equity			
Balance at 31 October 2018	<u>600,000</u>	<u>(11,110)</u>	<u>588,890</u>
Changes in equity			
Balance at 31 October 2019	<u>600,000</u>	<u>(11,110)</u>	<u>588,890</u>

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 October 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	1,018,104	977,055
Interest paid		(37,980)	(58,497)
Interest element of hire purchase and finance lease rental payments paid		(94,966)	(93,113)
Net cash from operating activities		<u>885,158</u>	<u>825,445</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,390,566)	(854,863)
Sale of tangible fixed assets		94,602	47,148
Net cash from investing activities		<u>(1,295,964)</u>	<u>(807,715)</u>
Cash flows from financing activities			
New HP loans in year		869,476	235,265
Loan repayments in year		(38,713)	(48,470)
New FL loans in year		459,359	619,598
New loans in the year		39,922	-
Capital repayments in year		(812,981)	(624,853)
Net cash from financing activities		<u>517,063</u>	<u>181,540</u>
Increase in cash and cash equivalents		<u>106,257</u>	<u>199,270</u>
Cash and cash equivalents at beginning of year	2	177,237	(22,033)
Cash and cash equivalents at end of year	2	<u>283,494</u>	<u>177,237</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 October 2019

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit before taxation	286,207	54,386
Depreciation charges	522,694	617,609
Loss on disposal of fixed assets	7,298	13,210
Amortisation of goodwill	-	148,885
Finance costs	133,900	133,367
	<u>950,099</u>	<u>967,457</u>
Decrease/(increase) in stocks	36,986	(8,972)
Decrease/(increase) in trade and other debtors	51,938	(15,704)
(Decrease)/increase in trade and other creditors	<u>(20,919)</u>	<u>34,274</u>
Cash generated from operations	<u><u>1,018,104</u></u>	<u><u>977,055</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 October 2019

	31.10.19	1.11.18
	£	£
Cash and cash equivalents	<u>283,494</u>	<u>177,237</u>

Year ended 31 October 2018

	31.10.18	1.11.17
	£	£
Cash and cash equivalents	177,237	85,865
Bank overdrafts	-	(107,898)
	<u>177,237</u>	<u>(22,033)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 October 2019

1. **STATUTORY INFORMATION**

Taurus Waste Recycling (Holdings) Ltd is a private company, limited by shares, registered in Not specified/Other. The company's registered number and registered office address can be found on the General 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.

Turnover

Turnover represents the invoiced value, net of value added tax, of goods sold and services provided to customers outside the group.

Intangible fixed assets-goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired and is capitalised and written off evenly over its useful life. The directors review the carrying value of goodwill when they consider there have been events or changes in circumstances affecting the current recoverable amount. In these circumstances the value of goodwill is adjusted to its current value and written off over its useful life

Other intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Freehold property - 2% on cost

Short leasehold - at varying rates on cost

Plant and machinery - at varying rates on cost and at variable rates on reducing balance

Motor vehicles - at varying rates on cost and at variable rates on reducing balance

Computer equipment - 20% on cost and 20% on reducing balance

Stocks

Stocks represent the value of fuel and unsorted waste held on sites and is valued at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

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.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account as it is incurred.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	1,811,408	1,766,641
Social security costs	184,847	179,531
Other pension costs	42,423	26,621
	<u>2,038,678</u>	<u>1,972,793</u>

The average number of employees during the year was as follows:

	2019	2018
Administrative	14	13
Maintenance	2	2
Drivers	23	26
Recycling operatives	18	14
Directors	4	5
	<u>61</u>	<u>60</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 61 (2018 - 60).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

3. EMPLOYEES AND DIRECTORS - continued

Directors' retirement benefits during the year totalled £6,369 (2018: £3,800).

The number of directors to whom retirement benefits were accruing was 4 (2018: 4).

	2019	2018
	£	£
Directors' remuneration	<u>294,181</u>	<u>318,512</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	<u>75,777</u>	<u>75,777</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Lease of plant and machinery	260,991	336,651
Depreciation - owned assets	87,728	119,929
Depreciation - assets on hire purchase contracts and finance leases	434,871	368,035
Loss on disposal of fixed assets	7,298	13,210
Goodwill amortisation	-	148,885
Auditors' remuneration	<u>7,000</u>	<u>7,000</u>

5. EXCEPTIONAL ITEMS

	2019	2018
	£	£
Exceptional item	<u>-</u>	<u>(129,645)</u>

An exceptional item was recognised in the prior year in relation to the impairment of an electricity generating item of plant, from which a key component was removed by the supplier for maintenance and never replaced. Despite legal attempts to recover the component and obtain compensation, the asset is considered to be impaired and requires further investment in order to fully restore it to its intended use.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	-	2,089
Loan	38,934	38,165
Hire purchase	43,857	46,633
Finance lease interest	<u>51,109</u>	<u>46,480</u>
	<u>133,900</u>	<u>133,367</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

7. **TAXATION**

Analysis of the tax charge

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

	2019	2018
	£	£
Deferred tax	<u>56,891</u>	<u>17,376</u>
Tax on profit	<u>56,891</u>	<u>17,376</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	<u>286,207</u>	<u>54,386</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	54,379	10,333
Effects of:		
Expenses not deductible for tax purposes	764	3,535
Capital allowances in excess of depreciation	(81,012)	-
Depreciation in excess of capital allowances	-	62,109
Allowable goodwill amortisation	-	(28,288)
Loss on sale of assets	1,387	3,821
Balancing charges	(1,280)	2,032
Allowable depreciation on finance lease assets	(44,597)	(35,604)
Exceptional item	-	24,633
Tax losses brought forward	70,360	(42,570)
Deferred tax movement in accelerated timing differences	127,250	(25,195)
Deferred tax movement in tax losses	<u>(70,360)</u>	<u>42,570</u>
Total tax charge	<u>56,891</u>	<u>17,376</u>

8. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

9. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 November 2018 and 31 October 2019	<u>2,964,432</u>
AMORTISATION	
At 1 November 2018 and 31 October 2019	<u>2,964,432</u>
NET BOOK VALUE	
At 31 October 2019	<u><u>-</u></u>
At 31 October 2018	<u><u>-</u></u>

10. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 November 2018	1,036,886	64,650	4,403,074
Additions	-	26,024	831,476
Disposals	-	-	(272,750)
At 31 October 2019	<u>1,036,886</u>	<u>90,674</u>	<u>4,961,800</u>
DEPRECIATION			
At 1 November 2018	189,979	37,146	2,323,763
Charge for year	11,491	4,095	270,007
Eliminated on disposal	-	-	(203,434)
At 31 October 2019	<u>201,470</u>	<u>41,241</u>	<u>2,390,336</u>
NET BOOK VALUE			
At 31 October 2019	<u><u>835,416</u></u>	<u><u>49,433</u></u>	<u><u>2,571,464</u></u>
At 31 October 2018	<u><u>846,907</u></u>	<u><u>27,504</u></u>	<u><u>2,079,311</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

10. **TANGIBLE FIXED ASSETS - continued**

Group

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 November 2018	1,815,855	16,590	7,337,055
Additions	503,110	29,956	1,390,566
Disposals	(87,475)	-	(360,225)
At 31 October 2019	<u>2,231,490</u>	<u>46,546</u>	<u>8,367,396</u>
DEPRECIATION			
At 1 November 2018	366,805	16,590	2,934,283
Charge for year	233,106	3,900	522,599
Eliminated on disposal	(54,891)	-	(258,325)
At 31 October 2019	<u>545,020</u>	<u>20,490</u>	<u>3,198,557</u>
NET BOOK VALUE			
At 31 October 2019	<u>1,686,470</u>	<u>26,056</u>	<u>5,168,839</u>
At 31 October 2018	<u>1,449,050</u>	<u>-</u>	<u>4,402,772</u>

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 November 2018	1,944,667	1,787,325	3,731,992
Additions	830,476	498,360	1,328,836
Disposals	-	(87,475)	(87,475)
Transfer to ownership	(287,550)	-	(287,550)
At 31 October 2019	<u>2,487,593</u>	<u>2,198,210</u>	<u>4,685,803</u>
DEPRECIATION			
At 1 November 2018	757,352	346,192	1,103,544
Charge for year	203,754	231,117	434,871
Eliminated on disposal	-	(54,891)	(54,891)
Transfer to ownership	(95,850)	-	(95,850)
At 31 October 2019	<u>865,256</u>	<u>522,418</u>	<u>1,387,674</u>
NET BOOK VALUE			
At 31 October 2019	<u>1,622,337</u>	<u>1,675,792</u>	<u>3,298,129</u>
At 31 October 2018	<u>1,187,315</u>	<u>1,441,133</u>	<u>2,628,448</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

11. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 November 2018 and 31 October 2019	<u>495,932</u>
NET BOOK VALUE	
At 31 October 2019	<u>495,932</u>
At 31 October 2018	<u>495,932</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Taurus Waste Recycling Limited

Registered office:

Nature of business: Skip hire and waste management

	%		
Class of shares:	holding		
Ordinary £1	100.00		
		2019	2018
		£	£
Aggregate capital and reserves		2,578,772	2,349,445
Profit for the year		<u>229,316</u>	<u>37,007</u>

12. **STOCKS**

	Group	
	2019	2018
	£	£
Recycled materials	4,900	29,950
Fuel	<u>13,598</u>	<u>25,534</u>
	<u>18,498</u>	<u>55,484</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

13. **DEBTORS**

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,045,357	1,134,415	-	-
Amounts owed by group undertakings	-	-	92,957	92,957
Other debtors	20,269	1,070	-	-
Prepayments	111,908	93,987	-	-
	<u>1,177,534</u>	<u>1,229,472</u>	<u>92,957</u>	<u>92,957</u>
Amounts falling due after more than one year:				
Other debtors	26,250	26,250	-	-
Aggregate amounts	<u>1,203,784</u>	<u>1,255,722</u>	<u>92,957</u>	<u>92,957</u>

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2019	2018
	£	£
Bank loans and overdrafts (see note 16)	44,395	34,606
Hire purchase contracts and finance leases (see note 17)	804,584	614,303
Trade creditors	561,830	547,262
CT61	1,400	560
Social security and other taxes	43,751	37,180
VAT	38,836	149,819
Other creditors	15,862	9,578
Accrued expenses	217,803	155,162
	<u>1,728,461</u>	<u>1,548,470</u>

15. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group	
	2019	2018
	£	£
Bank loans (see note 16)	279,274	287,853
Other loans (see note 16)	232,000	232,000
Hire purchase contracts and finance leases (see note 17)	1,487,835	1,162,053
	<u>1,999,109</u>	<u>1,681,906</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

16. **LOANS**

An analysis of the maturity of loans is given below:

		Group	
		2019	2018
		£	£
Amounts falling due within one year or on demand:			
Bank loans		<u>44,395</u>	<u>34,606</u>
Amounts falling due between one and two years:			
Bank loans - 1-2 years		258,594	37,037
Directors' loan accounts		<u>232,000</u>	<u>232,000</u>
		<u>490,594</u>	<u>269,037</u>
Amounts falling due between two and five years:			
Bank loans - 2-5 years		<u>20,680</u>	<u>250,816</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group	Hire purchase contracts		Finance leases	
	2019	2018	2019	2018
	£	£	£	£
Gross obligations repayable:				
Within one year	401,726	260,340	485,068	423,638
Between one and five years	615,990	328,525	837,656	893,882
In more than five years	<u>126,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,143,956</u>	<u>588,865</u>	<u>1,322,724</u>	<u>1,317,520</u>
Finance charges repayable:				
Within one year	42,930	28,238	39,280	41,437
Between one and five years	51,445	16,688	35,997	43,666
In more than five years	<u>4,609</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>98,984</u>	<u>44,926</u>	<u>75,277</u>	<u>85,103</u>
Net obligations repayable:				
Within one year	358,796	232,102	445,788	382,201
Between one and five years	564,545	311,837	801,659	850,216
In more than five years	<u>121,631</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,044,972</u>	<u>543,939</u>	<u>1,247,447</u>	<u>1,232,417</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

17. **LEASING AGREEMENTS - continued**

Group

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	523,236	678,412
Between one and five years	1,229,502	1,440,915
In more than five years	2,825,333	3,033,333
	<u>4,578,071</u>	<u>5,152,660</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Bank loans	323,669	322,459
Hire purchase contracts and finance leases	2,292,419	1,776,356
	<u>2,616,088</u>	<u>2,098,815</u>

The bank loans and overdraft are secured by fixed and floating charges over the group's land and buildings and other assets. Obligations under hire purchase contracts are secured on the related asset.

19. **PROVISIONS FOR LIABILITIES**

	Group	
	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	411,694	284,444
Tax losses carried forward	(136,378)	(66,018)
	<u>275,316</u>	<u>218,426</u>

Group

	Deferred tax
	£
Balance at 1 November 2018	218,426
Timing differences	127,250
Tax losses	(70,360)
Balance at 31 October 2019	<u>275,316</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 October 2019

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
100	Ordinary	1	<u>600,000</u>	<u>600,000</u>

21. **RESERVES**

Group

	Retained earnings £
At 1 November 2018	1,842,413
Profit for the year	<u>229,316</u>
At 31 October 2019	<u>2,071,729</u>

22. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

A director has loaned the company £132,000 (2018: £132,000). The loan is shown in the accounts under creditors falling due after one year.

A director has loaned the company £100,000 (2018: £100,000). Interest is payable on the loan at a commercial rate. The loan is shown in the accounts under creditors falling due after one year.

23. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling body is Mr P J Scarborough and Mr S T Mills who together own 66.6% of the share capital.

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.