

Tonks Recycling Limited
Directors' report and financial statements
for the year ended 31 December 2016

Registered Number 08056118



Tonks Recycling Limited

Directors' report and financial statements

for the year ended 31 December 2016

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Tonks Recycling Limited

Directors' report

The directors present their directors' report and audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company is the operation of aggregate recycling services and sale of resulting aggregate products.

Business review

The results for the year are set out on page 6.

Proposed dividends

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

B Manning (resigned 28 April 2017)

A E Radcliffe

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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.

Tonks Recycling Limited

Directors' report (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

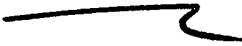
Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Small company provisions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



A E Radcliffe
Director
31 August 2017

Esh House
Bowburn North Industrial Estate
Bowburn
Durham
DH6 5PF

Tonks Recycling Limited

Independent auditors' report to the members of Tonks Recycling Limited

Report on the financial statements

Our opinion

In our opinion, Tonks Recycling Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of income and retained earnings for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Tonks Recycling Limited

Independent auditors' report to the members of Tonks Recycling Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of director's responsibilities in respect of the financial statements, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Tonks Recycling Limited

Independent auditors' report to the members of Tonks Recycling Limited (continued)

What an audit of financial statements involves

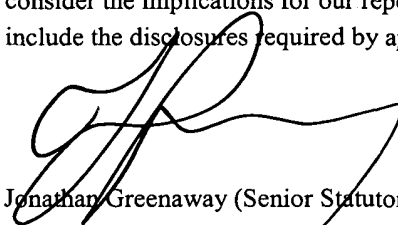
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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 material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report include the disclosures required by applicable legal requirements.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Newcastle upon Tyne
31 August 2017

Tonks Recycling Limited

Statement of income and retained earnings for the year ended 31 December 2016

		Year ended 31 December 2016	Period ended 31 December 2015
	Note	£	£
Turnover	1	4,130	15,461
Gross profit		4,130	15,461
Administrative expenses		(4,162)	(13,931)
(Loss)/profit before taxation	2	(32)	1,530
Tax on profit on ordinary activities	4	-	-
(Loss)/profit for the financial year	7	(32)	1,530
Profit and loss account brought forward		(58,605)	(60,135)
Profit and loss account at the end of the year/period		(58,637)	(58,605)

All results derive from continued operations.

The company had no other comprehensive income during the current or preceding year other than that reflected in the profit and loss account.

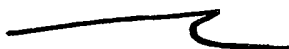
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Tonks Recycling Limited

Balance sheet as at 31 December 2016

	Note	At 31 December 2016 £	At 31 December 2015 £
Current assets			
Cash at bank and in hand		2,755	5,987
		2,755	5,987
Creditors: amounts falling due within one year	5	(14,750)	(17,950)
Net liabilities		(11,995)	(11,963)
Capital and reserves			
Called up share capital	6	1	1
Capital contribution	7	46,641	46,641
Profit and loss account	7	(58,637)	(58,605)
Shareholders' deficit		(11,995)	(11,963)

The financial statements on pages 6 to 13 were approved by the board of directors on 31 August 2017 and were signed on its behalf by:



A E Radcliffe
Director

Company registered number: 08056118

Tonks Recycling Limited

Statement of accounting policies

Statement of compliance and general information

The Company is limited by shares and is incorporated in the United Kingdom. The registered office is Esh House, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF. These financial statements have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- ii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv);
- iii) from disclosing the company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.

Going concern

The company meets its financing requirements through balances with other companies in the group headed by Esh Investments Limited.

The group headed by Esh Investments Limited recorded an operating profit in 2016 and has substantial net assets. Detailed information regarding the financial position of the group headed by Esh Investments Limited, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Esh Investments Limited, which can be obtained from Companies House.

After making detailed enquiries and taking into account the factors discussed above, the Board is confident that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to prepare the financial statements on a going concern basis.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by section 29 of FRS 102.

Tonks Recycling Limited

Statement of accounting policies (continued)

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations.

Turnover

Turnover is measured at the fair value of consideration received or receivable net of discounts and VAT provided that it can be measured reliably.

Dividends

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Tonks Recycling Limited

Notes to the financial statements for the year ended 31 December 2016

1 Turnover

All turnover has been wholly undertaken in the United Kingdom from the principal activity.

2 Notes to the profit and loss account

	Year ended 31 December 2016	Period ended 31 December 2015
	£	£
(Loss)/profit before taxation is stated after charging:		
Hire of plant and equipment – operating leases	-	9,341
Hire of other assets – operating leases	-	6,120

Auditors' remuneration

	Year ended 31 December 2016	Period ended 31 December 2015
	£	£
Audit of these financial statements	-	1,680

In the current year the audit fee was borne by another group company.

3 Remuneration of directors

The directors were the only employees of the company and did not receive any remuneration during the current or preceding year. Their services to this Company and to a number of other subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

Tonks Recycling Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

4 Taxation

Tax expense included in profit and loss

	2016	2015
	£	£
UK corporation tax:		
On profit on ordinary activities	-	-

Reconciliation of tax credit

The current tax credit for the year is lower (2015: higher) than the standard rate of corporation tax in the UK 20% (2015: 20.35%). The differences are explained below:

	2016	2015
	£	£
Tax reconciliation:		
(Loss)/profit before taxation	(32)	1,530
Current tax at 20% (2015: 20.35%)	(6)	311
Effects of:		
Unutilised losses carried forward	6	(311)
Total tax credit	-	-

Factors that may affect future current and total tax charges

The company has trading losses of £57,729 (2015: £57,697) available to offset future trading profits. A related deferred tax asset of £10,390 (2015: £10,385) has not been recognised due to uncertainty over the timing of its future recovery.

Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 21% to 20% from 1 April 2015.

The Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015. This reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further reduction in the main corporation tax rate to 17% from 1 April 2020 was announced in the 2016 Budget and substantively enacted in the Finance Act 2016. Given the changes are stepped, deferred tax assets and liabilities reflect the rate of 19% that will apply from 1 April 2017.

Tonks Recycling Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	-	-
Amounts owed to group undertakings	6,000	9,200
Accruals and deferred income	8,750	8,750
	14,750	17,950

6 Called-up share capital

	2016	2015
	£	£
Authorised		
1 (2015: 1) ordinary shares of £1 each	1	1
Allotted, called-up and fully paid		
1 (2015: 1) ordinary share of £1 each	1	1

7 Reserves

	Capital contribution	Profit and loss account
	£	£
At 1 January 2015	46,641	(58,605)
Loss for the year	-	(32)
At 31 December 2016	46,641	(58,637)

Tonks Recycling Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 Ultimate parent company

The company is a subsidiary undertaking of J Tonks (Transport) Limited, incorporated in England and Wales. The ultimate parent company is Esh Investments Limited, incorporated in England and Wales.

The largest group in which results of the company are consolidated is that headed by Esh Investments Limited and the smallest is that headed by Esh Holdings Limited. The consolidated accounts of these companies are available to the public and may be obtained from Esh House, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF.

The directors do not consider there to be an ultimate controlling party.