

**West Lothian Recycling Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2014**

Registered number: SC193765

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## **West Lothian Recycling Limited**

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# **West Lothian Recycling Limited**

## **Directors' Report**

The Directors present the annual report and the audited financial statements of West Lothian Recycling Limited ("the Company") for the year ended 31 December 2014.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to small companies under section 415A of the Companies Act 2006, which also provides an exemption from the preparation of a strategic report under section 414B.

### **Principal activities**

The principal activities of the Company comprise the importation and shredding of greenwaste to produce compost and the manufacturing and sale of recycled aggregates to the building materials industry in the United Kingdom.

### **Business review**

During 2014, the Company continued to carry out the importation and shredding of greenwaste alongside other recycling activities. The Directors are confident about the Company's prospects for the forthcoming year. As shown in the Company's profit and loss account on page 6 the Company's sales have increased by £77,441 from the prior period. The profit for the year after taxation of £66,925 (2013: £69,686) has been transferred to reserves.

The balance sheet on page 7 of these financial statements shows the company's financial position at the year end.

### **Post balance sheet events**

As at the balance sheet date, Tarmac Holdings Limited (formerly Lafarge Tarmac Holdings Limited) ("Tarmac") was the ultimate parent undertaking of Tarmac Trading Limited (formerly Lafarge Tarmac Trading Limited), which held 50% of the share capital of the Company. On 10 July 2015 Lafarge and Holcim announced completion of a global merger, which required the disposal of assets by both groups over several jurisdictions to meet competition authorities' requirements. At the time of the LafargeHolcim merger, Lafarge UK Holdings Limited owned 50% of Tarmac. On 31 January 2015, Lafarge and Holcim entered into exclusive negotiations further to a binding commitment with CRH plc, regarding the divestment of several assets, including Tarmac, but excluding the Caudon and Cookstown cement plants and certain other non-operational properties of Tarmac. On 17 July 2015 Anglo American Finance (UK) Limited sold their 50% shareholding in Tarmac to Lafarge UK Holdings Limited. The sale of Tarmac from Lafarge UK Holdings Limited to CRH plc completed on 31 July 2015.

### **Going Concern**

The Company has net assets and is profit making. The Directors have reviewed the forecasts of the Company, taking into account reasonable possible changes in trading performance and as such have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future given its forecast cash flows. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

### **Directors**

The Directors, who served throughout the year and to the date of signing except as noted, were as follows:

T Conn	
J Jack	
J Scott	(appointed 31 May 2015)
C Kirkland	(appointed 31 July 2015)
G Malcolm	(appointed 13 January 2014)
J Doyle	(appointed 13 January 2014)
D Kirkpatrick	(appointed 12 November 2014 and resigned 30 June 2015)
C Hume	(resigned 12 November 2014)
G Frost	(resigned 12 November 2014)

## **West Lothian Recycling Limited**

### **Directors' report (continued)**

The Articles of Association of the Company contain an indemnity in favour of all of the directors of the Company that, subject to law, indemnifies the Directors out of the assets of the Company from any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

#### **Dividends**

The Directors have paid a dividend of £50,000, being £500 per ordinary share during the year (2013: £200,000 being £2,000 per ordinary share).

#### **Auditor**

Deloitte LLP have expressed their willingness to continue in office as auditor. No notice in accordance with section 488 of the Companies Act 2006 (which would operate to prevent the deemed reappointment of auditors under s487(2) of that Act) has been or is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditors to take place in absence of an Annual General Meeting.

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board and signed on behalf of the board by:



J Doyle  
Director

18 September 2015

## **West Lothian Recycling Limited**

### **Directors' Responsibilities Statement**

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 Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

## **Independent Auditor's Report to the members of West Lothian Recycling Limited**

We have audited the financial statements of West Lothian Recycling Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. 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 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 auditor**

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption in preparing a Strategic Report or in preparing the Directors' Report.

Dawn Johnston

Dawn Johnston FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Belfast, United Kingdom

24 September 2015

## West Lothian Recycling Limited

### Profit and loss account For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover		580,534	503,093
Cost of sales		(403,401)	(329,232)
Gross profit		177,133	173,861
Other operating expenses (net)		(90,908)	(84,261)
Operating profit being profit on ordinary activities before finance charges		86,225	89,600
Finance income	2	234	277
Profit on ordinary activities before taxation	3	86,459	89,877
Tax on profit on ordinary activities	5	(19,534)	(20,191)
Profit on ordinary activities after taxation and for the financial year	13,14	66,925	69,686

All activities derive from continuing operations.

There are no recognised gains and losses other than the profit for the current and preceding financial year. Accordingly, no statement of total recognised gains and losses has been presented.

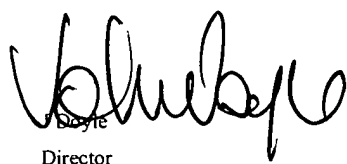


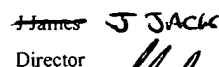
# West Lothian Recycling Limited

## Balance sheet As at 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	7	12,291	39,252
<b>Current assets</b>			
Stocks	8	21,118	25,366
Debtors	9	251,166	133,522
Cash at bank and in hand		215,232	228,724
		487,516	387,612
<b>Creditors: Amounts falling due within one year</b>	10	(210,838)	(154,820)
<b>Net current assets</b>		276,678	232,792
<b>Total assets less current liabilities</b>		288,969	272,044
<b>Provisions for liabilities</b>	11	(10,298)	(10,298)
<b>Net assets</b>		278,671	261,746
<b>Capital and reserves</b>			
Called-up share capital	12	100	100
Profit and loss account	13	278,571	261,646
<b>Shareholders' funds</b>	14	278,671	261,746

The financial statements of West Lothian Recycling Limited, registered number SC193765, were approved by the Board of Directors and authorised for issue on 18 September 2015. They were signed on its behalf by:

  
J. Boyle  
Director

  
James J. Jack  
Director

## **West Lothian Recycling Limited**

### **Notes to the financial statements**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

##### **Going concern**

The financial statements are prepared on a going concern basis as described in the Directors' Report in accordance with applicable UK accounting standards.

##### **Cash Flow Statement**

The Company, having satisfied the Companies Act criteria for a small company, has taken advantage of the exemption granted by Financial Reporting Standard 1 "Cash Flow Statements" and has not prepared a cash flow statement.

##### **Turnover**

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers. Sales of goods are recognised on dispatch.

##### **Leased Assets**

Operating lease rentals are charged to the profit and loss account in equal instalments over the life of the lease, except that provision is made for the expected net cost on vacant leasehold properties.

##### **Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Current taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Restoration and waste provision**

Restoration provision is made for the net present value of the total estimated cost of restoring land where quarrying activities have been undertaken and there is an obligation to restore those sites. Waste provision is made to convert waste material which has been brought in and held on site into a useable material that can then be sold off site.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is based on historical cost and the estimated economic lives of the assets concerned. Plant, machinery and vehicles are depreciated in equal annual instalments over the period of their estimated economic lives, which has been estimated to be between 4 and 15 years.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes directly attributable overheads.

## **West Lothian Recycling Limited**

### **Notes to the financial statements (continued)**

#### **2. Finance income**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Investment income</b>		
Interest receivable and similar income	<u>234</u>	<u>277</u>

## West Lothian Recycling Limited

### Notes to the financial statements (continued)

#### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned	26,960	26,656
Operating lease rentals:		
- Land and buildings	25,552	25,500
	<u>25,552</u>	<u>25,500</u>

The analysis of auditor remuneration is as follows:

	2014 £	2013 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	5,000	5,200
	<u>5,000</u>	<u>5,200</u>

Non audit fees were £nil in both the current and preceding years.

#### 4. Staff costs

The average monthly number of employees was:

	2014 Number	2013 Number
Production	2	2
	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	51,261	52,626
Social security costs	4,225	4,118
Other pension costs	2,624	1,209
	<u>58,110</u>	<u>57,953</u>

The emoluments of the Directors are paid by their respective parent companies as their services to West Lothian Recycling Limited are incidental to their services provided to other associated companies.

## West Lothian Recycling Limited

### Notes to the financial statements (continued)

#### 5. Tax on profit on ordinary activities

The tax charge comprises:

	2014 £	2013 £
<b>Current tax</b>		
UK corporation tax	21,755	17,791
Consortium relief	-	-
<b>Total current tax</b>	<u>21,755</u>	<u>17,791</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,221)	2,400
<b>Total deferred tax (see note 9)</b>	<u>(2,221)</u>	<u>2,400</u>
<b>Total tax on profit on ordinary activities</b>	<u>19,534</u>	<u>20,191</u>

The Company is subject to the small companies standard rate of corporation tax in the UK for the period of 20% (2013: 20%). The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2014 £	2013 £
<b>Profit on ordinary activities before tax</b>	<u>86,459</u>	<u>89,877</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2013: 20%)	17,293	17,975
Effects of:		
Expenses not deductible for tax purposes	2,241	2,218
Depreciation in excess of capital allowances	2,221	1,983
Movement in short term timing differences	-	(4,385)
<b>Current tax charge for year</b>	<u>21,755</u>	<u>17,791</u>

On 2 July 2013 the Finance Act 2013 subsequently enacted further reductions in the main rate of corporation tax to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. However, there was no change to the small companies rate. Deferred tax at 31 December 2014 has been calculated at a rate of 20%.

#### 6. Dividends on equity shares

	2014 £	2013 £
<b>Dividends on A and B ordinary shares of £1 each</b>		
<i>Amounts recognised as distributions to equity Shareholders during the year:</i>		
Final dividend in relation to year-ended 31 December 2014: £500 per A and B ordinary share of £1 each (2013: £2,000 per A and B ordinary share in relation to final dividend for year-ended 31 December 2013)	<u>50,000</u>	<u>200,000</u>

## West Lothian Recycling Limited

### Notes to the financial statements (continued)

#### 7. Tangible fixed assets

	Plant, machinery and vehicles
	£
<b>Cost</b>	
At 1 January 2014	441,529
At 31 December 2014	441,529
<b>Accumulated depreciation</b>	
At 1 January 2014	402,277
Charge for the year	26,960
At 31 December 2014	429,238
<b>Net book value</b>	
At 31 December 2014	12,291
At 31 December 2013	39,252

#### 8. Stocks

	2014 £	2013 £
Raw materials and consumables	1,010	1,810
Finished goods and goods for resale	20,108	23,556
	21,118	25,366

There is no material difference between the balance sheet value of stocks and their replacement cost.

## West Lothian Recycling Limited

### Notes to the financial statements (continued)

#### 9. Debtors

	2014 £	2013 £
Trade debtors	180,392	12,784
Amounts owed by related parties (note 16)	57,688	106,035
Deferred tax asset (see below)	4,854	2,633
Prepayments and accrued income	8,232	12,070
	<u>251,166</u>	<u>133,522</u>

#### Deferred tax

Deferred tax is recognised as follows:

	2014 £	2013 £
Accelerated depreciation	2,795	573
Other timing differences	2,060	2,060
<b>Deferred tax asset</b>	<u>4,855</u>	<u>2,633</u>

	Deferred tax £
At 1 January 2014	2,633
Credited to profit and loss account	2,221
At 31 December 2014	<u>4,854</u>

#### 10. Creditors amounts falling due within one year

	2014 £	2013 £
Trade creditors	101,846	89,571
Amounts owed to related parties (note 16)	39,180	-
Corporation tax	21,755	17,791
Other taxation and social security	15,379	10,981
Other creditors	1,499	855
Accruals and deferred income	7,391	11,834
Amounts owed to related parties – consortium relief	23,788	23,788
	<u>210,838</u>	<u>154,820</u>

## West Lothian Recycling Limited

### Notes to the financial statements (continued)

#### 11. Provisions for liabilities

	Restoration £
At 1 January 2014	10,298
Utilisation of provision	-
At 31 December 2014	<u>10,298</u>

The restoration provision is to restore land in a small area of the unit and which is expected to be utilised within the next 12 – 18 months.

#### 12. Called-up share capital

	2014 £	2013 £
<b>Allotted, called-up and fully-paid</b>		
50 "A" ordinary shares of £1 each	50	50
50 "B" ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Each class of share is held solely by one member and all shares are pari passu to each other in all respects.

#### 13. Reserves

	Profit and loss account £
At 1 January 2014	261,646
Profit for the financial year	66,925
Final dividends approved on equity shares	<u>(50,000)</u>
At 31 December 2014	<u>278,571</u>

#### 14. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	66,925	69,686
Final dividends approved on equity shares	<u>(50,000)</u>	<u>(200,000)</u>
Net increase (reduction) in shareholders' funds	16,925	(130,314)
Opening shareholders' funds	261,746	392,060
Closing shareholders' funds	<u>278,671</u>	<u>261,746</u>



## West Lothian Recycling Limited

### Notes to the financial statements (continued)

#### 15. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014 Land and buildings £	2013 Land and buildings £
Expiry date		
- within one year	-	26,000
- between two and five years	-	-
- greater than five years	34,200	-
	<u>34,200</u>	<u>-</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

#### 16. Related party transactions

The Company's share capital is held equally between Tarmac Trading Limited (formerly Lafarge Tarmac Trading Limited), a Company incorporated in the United Kingdom, and West Lothian Council. During the year the Company had the following transactions on normal trading terms and at the year end has balances with these related parties.

<b>Tarmac Trading Limited</b>	2014	2013
<i>A company which controls 50% of the Company's ordinary share capital</i>	£	£
Amounts due (to) / from related party at balance sheet date	<u>(39,180)</u>	<u>73,703</u>

During the year, the following transactions were incurred between these related parties:

Purchases	14,530	-
Sales	-	1,565
	<u>-</u>	<u>1,565</u>

<b>West Lothian Council</b>	2014	2013
<i>An organisation which controls 50% of the Company's ordinary share capital</i>	£	£
Amounts due from related party at balance sheet date	<u>57,688</u>	<u>32,332</u>

During the year, the following transactions were incurred between these related parties:

Purchases	49,565	753
Sales	<u>324,313</u>	<u>58,886</u>

## **West Lothian Recycling Limited**

### **Notes to the financial statements (continued)**

#### **17. Post balance sheet events**

As at the balance sheet date, Tarmac Holdings Limited (formerly Lafarge Tarmac Holdings Limited) ("Tarmac") was the ultimate parent undertaking of Tarmac Trading Limited (formerly Lafarge Tarmac Trading Limited), which held 50% of the share capital of the Company. On 10 July 2015 Lafarge and Holcim announced completion of a global merger, which required the disposal of assets by both groups over several jurisdictions to meet competition authorities' requirements. At the time of the LafargeHolcim merger, Lafarge UK Holdings Limited owned 50% of Tarmac. On 31 January 2015, Lafarge and Holcim entered into exclusive negotiations further to a binding commitment with CRH plc, regarding the divestment of several assets, including Tarmac, but excluding the Cauldon and Cookstown cement plants and certain other non-operational properties of Tarmac. On 17 July 2015 Anglo American Finance (UK) Limited sold their 50% shareholding in Tarmac to Lafarge UK Holdings Limited. The sale of Tarmac from Lafarge UK Holdings Limited to CRH plc completed on 31 July 2015.

#### **18. Ultimate parent company**

There is no ultimate controlling party and parent company as the Company's share capital is held equally by Tarmac Trading Limited, incorporated in the United Kingdom, and West Lothian Council.