

Company registration number 01526052 (England and Wales)

**SACKERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2022**

# SACKERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr C A R Dodds Mr E C C Dodds Mr D G Dodds Mr G C Gray Mr N P Canham
<b>Company number</b>	01526052
<b>Registered office</b>	Railway Sidings Great Blakenham Ipswich IP6 0JB
<b>Auditor</b>	Ensors Accountants LLP Connexions 159 Princes Street Ipswich IP1 1QJ
<b>Bankers</b>	Virgin Money 5 Church Street Peterborough PE1 1XB

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# **SACKERS LIMITED**

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# SACKERS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2022

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The directors present the strategic report for the year ended 30 April 2022.

#### **Fair review of the business**

The company's principal activities continue to be the recycling of scrap metal, commercial industrial waste and the distribution of its products to its local, national and international customers.

The company invests in its people and its business management systems. The company's business systems provide valuable data and enable insightful decision making in the planning and trading processes and throughout the business as a whole.

The team successfully navigated a dynamic environment to deliver core revenue growth, this performance was broad based within all three of our commercial business segments. We believe our sound execution combined with investments in innovative equipment additions have helped drive this.

Turnover increased versus the prior year by over 60% to £60.2M, benefiting from increases in our volumes and higher commodity prices, particularly in the months after the first UK COVID 19 lockdown during 2020.

To support the company's growth ambitions it made increased investments in fixed assets. The company added fixed assets in the year of £1,198,552, a sizeable increase compared to the prior year of £369,820.

As a result of the increases in fixed assets and the increase in working capital required to support the company's growth net debt has increased year over year by £1.5M to £3.5M.

The operating profit for the financial year increased significantly to £984,865 (2021: £791,374), an increase of 24%.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the company.

The key business risks and uncertainties facing the company are set out as below:

*Ukraine / Russia conflict* – Although not directly exposed to these regions the impact the Ukraine / Russia conflict may have on global supply chains, sales channels, commodity pricing and rising energy costs is a risk and has the potential for a deterioration of the world economy

*COVID 19* - The potential for further disruptions caused by the COVID 19 pandemic

*Currency exchange rates* – the company has a high proportion of its turnover in US Dollars, this could expose it to differences on exchange. The company manages this risk by hedging the exchange rate at the time a sale is agreed

*Competitor pressure* – the market in which the Company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to competitors. The company manages this risk by providing quality products and services and maintaining strong relationships with its key customers. It also monitors prices from global markets on a daily basis to ensure sales are at best market value.

*Fluctuating commodity prices* – the company monitors the key commodities it trades in and any relevant market analysis.

# **SACKERS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2022***

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### **Key performance indicators and key performance areas**

The directors closely monitor a range of key performance indicators (KPI's) throughout the year. During the year, the primary KPI's have been gross profit margin as a measure of performance and turnover as a measure of activity.

During the year, the company's turnover increased by £23.1M or 62% to £60.2M, gross margin increased by £1.1m, and decreased by 267 bps to 9.1% from 11.8%.

On behalf of the board

Mr D G Dodds

**CEO**

19 December 2022

# **SACKERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2022**

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The directors present their annual report and financial statements for the year ended 30 April 2022.

#### **Principal activities**

The principal activities of the company during the period continued to be the recycling of scrap metals and delivery of total waste management solutions.

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

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

Mr C A R Dodds

Mr E C C Dodds

Mr A A Dodds

(Resigned 15 December 2022)

Mr D G Dodds

Mr G C Gray

Mr N P Canham

Mr G Young

(Appointed 28 June 2021 and resigned 26 November 2021)

#### **Financial instruments**

##### ***Treasury operations and financial instruments***

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's principal financial instruments include derivative financial instruments (the purpose of which is to manage currency risks arising from the company's activities) bank loans, overdraft and trade finance facility (the main purpose of which is to raise finance for the company's operations). In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the company enters into principally comprise forward exchange contracts. In accordance with company's treasury policy, derivative instruments are not entered into for speculative purposes.

##### ***Liquidity risk***

The company is exposed to liquidity risk both to finance its trading activities and its investment activities. The company's policy is to finance working capital requirements through retained earnings as far as possible and to use external financing at prevailing market rates as and when required. Major fixed asset investments are financed by specific borrowings against the assets concerned through borrowing with terms broadly equivalent to the useful economic life of the asset concerned.

##### ***Interest rate risk***

The Company is exposed to interest rate rises through a proportion of the bank loans which are variable. All finance on assets held under hire purchase have a fixed rate of interest.

##### ***Foreign currency risk***

The company's principal exchange risk arises on its sales to overseas companies, the company uses forward US dollar contracts to manage these currency exchange rate risks.

# **SACKERS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2022**

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### ***Credit risk***

#### **Research and development**

The company has continued its commitment to research and development activities during the year, with further investment into scrap metal recycling methods.

#### **Future developments**

The Directors are confident that the Company is well placed to meet future challenges successfully particularly given the development of internal processes and restructuring completed since the year end.

#### **Auditor**

The auditor, Ensors Accountants LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr D G Dodds

**CEO**

19 December 2022

## **SACKERS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2022***

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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 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 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.



# SACKERS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACKERS LIMITED

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### Opinion

We have audited the financial statements of Sackers Limited (the 'company') for the year ended 30 April 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 30 April 2022 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.

### 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **SACKERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SACKERS LIMITED**

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

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 strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 an auditor's report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements are free from material misstatement due to fraud.

In planning and designing our audit procedures we assessed the risks of material misstatement due to fraud.

Consideration was given to the control environment (including management's own process for identification and risk assessment) as well as the nature of the entity, the industry in which it operates and the underlying performance. Consideration is also given to the attitudes and incentives of management to commit fraud.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they are likely to involve deliberate concealment or collusion.

Our assessment concluded that the areas of highest risk are non-compliance with laws and regulations and management override of controls. To address these risks we performed the following audit procedures:

# **SACKERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SACKERS LIMITED**

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- Thorough review of journal entries and other adjustments for appropriateness and evaluating the business rationale of any transactions outside of the normal course of business.
- Assessment of key accounting estimates within the financial statements in order to assess their reasonableness and determine whether there is any bias in management's estimates.
- Review of meeting minutes of directors and those charged with governance.
- All team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance.
- Enquiring of management whether there have been any alleged, suspected or actual instances of fraud during the year.
- Enquiring of management and those charged with governance whether there have been any actual or potential litigation or claims.
- Reviewing correspondence with relevant legal authorities.
- Reviewing legal expense accounts for any indicators of litigation or claims.

There are, however, inherent limitations to our above audit procedures. Auditing standards only require us to enquire of the directors and management regarding non-compliance with laws and regulations, as well as review regulatory and legal correspondence (if there is any). It is therefore possible that instances of non-compliance could be missed, particularly where the law in itself is far removed from any financial transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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 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.

**Barry Gostling**  
**Senior Statutory Auditor**  
**For and on behalf of Ensors Accountants LLP**

19 December 2022

**Chartered Accountants**  
**Statutory Auditor**

Connexions  
159 Princes Street  
Ipswich  
IP1 1QJ

## SACKERS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2021 £
Turnover	3	60,242,849	37,139,824
Cost of sales		(54,736,012)	(32,752,449)
<b>Gross profit</b>		<b>5,506,837</b>	<b>4,387,375</b>
Administrative expenses		(4,542,010)	(3,795,404)
Other operating income		20,038	199,403
<b>Operating profit</b>	4	<b>984,865</b>	<b>791,374</b>
Interest receivable and similar income	7	358	11
Interest payable and similar expenses	8	(148,172)	(89,697)
<b>Profit before taxation</b>		<b>837,051</b>	<b>701,688</b>
Tax on profit	9	(315,854)	(152,647)
<b>Profit for the financial year</b>		<b>521,197</b>	<b>549,041</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# SACKERS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		7,233,550		6,963,646
<b>Current assets</b>					
Stocks	13	1,426,611		1,136,115	
Debtors	14	11,053,131		7,282,565	
Cash at bank and in hand		1,989,021		952,335	
		<u>14,468,763</u>		<u>9,371,015</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(12,943,794)</u>		<u>(9,490,775)</u>	
<b>Net current assets/(liabilities)</b>			<u>1,524,969</u>		<u>(119,760)</u>
<b>Total assets less current liabilities</b>			<u>8,758,519</u>		<u>6,843,886</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(2,125,993)		(1,068,212)
<b>Provisions for liabilities</b>					
Deferred tax liability	19	<u>912,154</u>		<u>576,499</u>	
			<u>(912,154)</u>		<u>(576,499)</u>
<b>Net assets</b>			<u><u>5,720,372</u></u>		<u><u>5,199,175</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		100		100
Profit and loss reserves			<u>5,720,272</u>		<u>5,199,075</u>
<b>Total equity</b>			<u><u>5,720,372</u></u>		<u><u>5,199,175</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19 December 2022 and are signed on its behalf by:

Mr D G Dodds  
CEO

Company Registration No. 01526052

## SACKERS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2020	100	4,650,034	4,650,134
Year ended 30 April 2021:			
Profit and total comprehensive income for the year	-	549,041	549,041
Balance at 30 April 2021	100	5,199,075	5,199,175
Year ended 30 April 2022:			
Profit and total comprehensive income for the year	-	521,197	521,197
Balance at 30 April 2022	100	5,720,272	5,720,372

# SACKERS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	2,580,339	1,390,566
Interest paid		(148,172)	(89,697)
Income taxes refunded/(paid)		17,247	(11)
<b>Net cash inflow from operating activities</b>		<u>2,449,414</u>	<u>1,300,858</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(748,552)	(369,820)
Proceeds from disposal of tangible fixed assets		81,549	501
Interest received		358	11
<b>Net cash used in investing activities</b>		<u>(666,645)</u>	<u>(369,308)</u>
<b>Financing activities</b>			
Proceeds from new bank loans		2,000,000	1,106,932
Repayment of bank loans		(2,106,247)	(2,037,114)
Purchase of derivatives		(156,595)	-
Payment of finance leases obligations		(483,241)	(357,886)
<b>Net cash used in financing activities</b>		<u>(746,083)</u>	<u>(1,288,068)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>1,036,686</u>	<u>(356,518)</u>
Cash and cash equivalents at beginning of year		952,335	1,308,853
<b>Cash and cash equivalents at end of year</b>		<u><u>1,989,021</u></u>	<u><u>952,335</u></u>

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies

#### Company information

Sackers Limited is a private company limited by shares incorporated in England and Wales. The registered office is Railway Sidings, Great Blakenham, Ipswich, IP6 0JB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption not to prepare consolidated accounts on the basis that the subsidiary is dormant and therefore not material to the group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover is recognised at fair value when the company has fulfilled its contractual obligation and earned a right to consideration.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

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

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

Freehold Property	2% - 10% on Cost
Plant and machinery	5% on Cost or 20%-25% on Reducing Balance
Fixtures, fittings and equipment	5% on Cost or 20% on Reducing Balance
Motor vehicles	25% on Reducing Balance



# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and hire purchase contracts, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

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

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

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

#### Recoverability of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors, and historical experience.

#### Stock quantities

Directors largely use their professional judgement when estimating stock quantities at the year end, where it is not practical to weigh the stock.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Sale of goods and services in connection with recycling scrap metals and waste management	60,242,849	37,139,824
	<b>2022</b> £	<b>2021</b> £
<b>Turnover analysed by geographical market</b>		
United Kingdom	16,878,837	9,610,211
Europe	1,156,701	2,410,587
Rest of World	42,207,311	25,119,026
	60,242,849	37,139,824
	<b>2022</b> £	<b>2021</b> £
<b>Other revenue</b>		
Interest income	358	11

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(77,914)	(132,285)
Research and development costs	-	275
Fees payable to the company's auditor for the audit of the company's financial statements	16,400	12,500
Depreciation of owned tangible fixed assets	585,339	843,054
Depreciation of tangible fixed assets held under finance leases	306,450	119,316
Profit on disposal of tangible fixed assets	(44,690)	(226)
Operating lease charges	529,847	701,538

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Production and sales staff	38	30
Office and management staff	52	42
Total	90	72

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	3,305,076	2,451,962
Social security costs	287,951	236,831
Pension costs	123,357	77,251
	3,716,384	2,766,044

### 6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	656,331	447,229
Company pension contributions to defined contribution schemes	32,785	14,757
	689,116	461,986

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 2).

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 6 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	240,740	153,909

### 7 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	358	11

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	358	11
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### 8 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	127,847	57,413
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	20,325	32,284
	148,172	89,697

### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(19,801)	97,259
<b>Deferred tax</b>		
Origination and reversal of timing differences	335,655	55,388
Total tax charge	315,854	152,647

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	837,051	701,688
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	159,040	133,321
Tax effect of expenses that are not deductible in determining taxable profit	1,996	11,483
Adjustments in respect of prior years	(51,583)	-
Depreciation on assets not qualifying for tax allowances	(12,516)	7,843
Remeasurement of deferred tax for changes in tax rates	218,917	-
Taxation charge for the year	315,854	152,647

### 10 Tangible fixed assets

	Freehold Property	Plant and fixtures, fittings machinery and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 May 2021	2,999,834	12,023,963	542,800	15,784,224
Additions	136,891	1,004,240	26,921	1,198,552
Disposals	-	(142,380)	-	(209,380)
At 30 April 2022	3,136,725	12,885,823	569,721	16,773,396
<b>Depreciation and impairment</b>				
At 1 May 2021	603,172	7,526,345	510,058	8,820,578
Depreciation charged in the year	56,496	800,961	21,875	891,789
Eliminated in respect of disposals	-	(121,532)	-	(172,521)
At 30 April 2022	659,668	8,205,774	531,933	9,539,846
<b>Carrying amount</b>				
At 30 April 2022	2,477,057	4,680,049	37,788	7,233,550
At 30 April 2021	2,396,662	4,497,618	32,742	6,963,646

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	1,205,040	866,058



# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 11 Subsidiaries

Details of the company's subsidiaries at 30 April 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Sackers Recycling Ltd	Railway Sidings, Gipping Road, Ipswich, IP6 0JB	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Sackers Recycling Ltd	2	-

### 12 Financial instruments

	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	156,595	-

### 13 Stocks

	2022 £	2021 £
Raw materials and processed goods for resale	1,426,611	1,136,115

Stocks recognised within cost of sales during the year as an expense was £36,341,666 (2021: £20,607,474)

### 14 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,595,557	5,769,252
Derivative financial instruments	156,595	-
Other debtors	597,786	848,932
Prepayments and accrued income	703,193	664,381
	11,053,131	7,282,565

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	108,159	1,209,400
Obligations under finance leases	18	327,051	423,079
Trade creditors		6,312,267	5,477,228
Corporation tax		2,793	5,347
Other taxation and social security		101,448	79,844
Other creditors		3,324,242	43,129
Accruals and deferred income		2,767,834	2,252,748
		<u>12,943,794</u>	<u>9,490,775</u>

Within other creditors is £3,123,578 relating to a trade finance facility, interest is payable at 3.00% per annum over the Bank of England Base Rate for amounts owed in Sterling and 3.00% per annum over the Reference Interest Rate for amounts owed in an Approved Currency.

The facility is secured under a debenture, a first legal charge over freehold property plus an unsupported guarantee by David Dodds.

### 16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	1,839,928	844,934
Obligations under finance leases	18	286,065	223,278
		<u>2,125,993</u>	<u>1,068,212</u>

### 17 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>1,948,087</u>	<u>2,054,334</u>
Payable within one year	108,159	1,209,400
Payable after one year	<u>1,839,928</u>	<u>844,934</u>

The long-term loans are secured by a debenture, a first legal charge over freehold property plus an unsupported guarantee by David Dodds.

Interest on bank loans is charged at an assumed interest rate of 3.84% per annum over the Bank of England Base Rate. Long term loans are payable over the period until September 2026.

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 18 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	327,051	423,078
In two to five years	286,065	223,279
	<u>613,116</u>	<u>646,357</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are secured against the underlying assets and are on a fixed repayment basis. No arrangements have been entered into for contingent rental payments.

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022	Liabilities 2021
	£	£
<b>Balances:</b>		
ACAs	928,453	589,335
Short term timing differences	(16,299)	(12,836)
	<u>912,154</u>	<u>576,499</u>
		<b>2022</b>
		£
<b>Movements in the year:</b>		
Liability at 1 May 2021		576,499
Charge to profit or loss		335,655
		<u>912,154</u>
Liability at 30 April 2022		

### 20 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	123,357	77,251

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary Shares of 1p each (2021: £1 each)	10,000	100	100	100

During the year the Company underwent a share split, the shares were divided from £1 to £0.01 per share. The overall value of the share capital stayed the same and the ratio split between the shareholders is unchanged.

### 22 Operating lease commitments

#### Lessee

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

	2022 £	2021 £
Within one year	352,695	472,396
Between two and five years	630,680	789,733
In over five years	727,083	837,568
	<u>1,710,458</u>	<u>2,099,697</u>

### 23 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, which also includes directors, is as follows.

	2022 £	2021 £
Aggregate compensation	<u>757,212</u>	<u>617,432</u>

#### Transactions with related parties

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

	Purchases 2022 £	Purchases 2021 £
Rent in relation to land used by the company, but owned by schemes of which Directors are beneficiaries.	<u>85,000</u>	<u>85,000</u>

# SACKERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 23 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
<b>Amounts due to related parties</b>		
Loans with directors	27,563	8,540

Interest of £nil (2021: £6,011) on loan accounts with a closing balance of £nil (2021: £nil) at the year end has been paid during the year. No interest was paid on the other loans.

#### Other information

A personal guarantee of £125,000 has been provided by a Director as additional security for the loans and overdrafts within the creditors notes.

### 24 Ultimate controlling party

There is no ultimate controlling party

### 25 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	521,197	549,041
<b>Adjustments for:</b>		
Taxation charged	315,854	152,647
Finance costs	148,172	89,697
Investment income	(358)	(11)
Gain on disposal of tangible fixed assets	(44,690)	(226)
Depreciation and impairment of tangible fixed assets	891,789	962,370
<b>Movements in working capital:</b>		
Increase in stocks	(290,496)	(516,557)
Increase in debtors	(3,613,971)	(2,020,110)
Increase in creditors	4,652,842	2,173,715
<b>Cash generated from operations</b>	<b>2,580,339</b>	<b>1,390,566</b>

### 26 Analysis of changes in net debt

	1 May 2021 £	Cash flows £	New finance leases £	30 April 2022 £
Cash at bank and in hand	952,335	1,036,686	-	1,989,021
Borrowings excluding overdrafts	(2,054,334)	106,247	-	(1,948,087)
Obligations under finance leases	(646,357)	483,241	(450,000)	(613,116)
	<b>(1,748,356)</b>	<b>1,626,174</b>	<b>(450,000)</b>	<b>(572,182)</b>

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.