

THE WASTEPACK GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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THE WASTEPAK GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

B P Van Danzig
N S Parker

COMPANY SECRETARY

L A Cullis

REGISTERED NUMBER

03985811

REGISTERED OFFICE

Field House
Station Approach
Harlow
Essex
CM20 2EW

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Dashwood House
69 Old Broad Street
London
EC2M 1QS

BANKERS

Clydesdale Bank Plc
35 Regent Street
Piccadilly Circus
London
SW1Y 4ND

SOLICITORS

EMW LLP
Seebeck House
One Seebeck Place
Milton Keynes
MK5 8FR

THE WASTEPACK GROUP LIMITED

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THE WASTEPACK GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year continued to be that of a non trading holding company.

BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, operating profit and return on capital employed.

The turnover for the group in 2012 was £11,420,000 (2011 - £10,772,000). The increase in turnover can be attributed to the increase in the amount of WEEE evidence collected by the group and subsequently sold.

The group made an operating profit of £521,000 (2011 - £46,000).

On 24 July 2012 a new WEEE Directive (2012/19/EU) was issued by the European Commission. As a result the UK Government undertook a consultation process from 17 April 2013 to 21 June 2013, seeking the views of all interested parties as to how this directive should impact on the UK regulations, if at all. Any changes are targeted to be introduced into UK Law from 1 January 2014.

The government response to the consultation process was due on 23 August 2013, but at the date of signing this report no such response had been made.

The directors have welcomed the consultation process and the opportunity to engage in the recast of the WEE regulations and are confident that the interests of all stakeholders will be taken into account in the final regulations.

THE WASTEPAK GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

RESULTS AND DIVIDENDS

The loss for the year, after taxation and minority interests, amounted to £38 (2011 - profit £1,122 thousand)

The directors do not propose payment of a dividend (2011 - £nil)

DIRECTORS

The directors who served during the year were

B P Van Danzig
N S Parker

CHARITABLE CONTRIBUTIONS

During the year the group made donations totallings £2,383 (2011 - £3,419) to Project Hougoumont Limited

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

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

AUDITORS

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



L A Cullis
Secretary

Date 27/9/13

THE WASTEPACK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WASTEPACK GROUP LIMITED

We have audited the financial statements of The Wastepack Group Limited for the year ended 31 December 2012, set out on pages 5 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. 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 group's and the parent company's affairs as at 31 December 2012 and of the group's 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.

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.

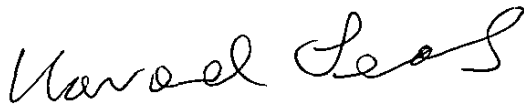
THE WASTEPACK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE WASTEPACK GROUP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Howard Sears FCCA (Senior statutory auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Dashwood House

69 Old Broad Street

London

EC2M 1QS

Date 27 September 2013

THE WASTEPAK GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
TURNOVER	1	11,420	10,772
Cost of sales		(8,285)	(7,874)
GROSS PROFIT		3,135	2,898
Administrative expenses		(2,614)	(2,852)
OPERATING PROFIT	2	521	46
EXCEPTIONAL ITEMS			
Other exceptional items	6	-	1,425
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		521	1,471
Interest payable and similar charges	5	(274)	(276)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		247	1,195
Tax on profit on ordinary activities	7	(292)	(86)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(45)	1,109
Minority interests		7	13
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	17	(38)	1,122

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 21 form part of these financial statements

THE WASTEPAK GROUP LIMITED
REGISTERED NUMBER: 03985811

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	2011 £000
FIXED ASSETS				
Intangible assets	8		5,306	5,978
Tangible assets	9		494	575
			<u>5,800</u>	<u>6,553</u>
CURRENT ASSETS				
Debtors	11	3,350		2,115
Cash at bank and in hand		106		426
		<u>3,456</u>		<u>2,541</u>
CREDITORS: amounts falling due within one year	12	(6,488)		(6,235)
NET CURRENT LIABILITIES			<u>(3,032)</u>	<u>(3,694)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,768</u>	<u>2,859</u>
CREDITORS: amounts falling due after more than one year	13		(10,866)	(10,902)
PROVISIONS FOR LIABILITIES				
Deferred tax	14	(7)		(13)
Other provisions	15	(92)		(96)
			<u>(99)</u>	<u>(109)</u>
NET LIABILITIES			<u><u>(8,197)</u></u>	<u><u>(8,152)</u></u>
CAPITAL AND RESERVES				
Called up share capital	16		12	12
Share premium account	17		757	757
Profit and loss account	17		(7,521)	(7,483)
SHAREHOLDERS' DEFICIT	18		<u>(6,752)</u>	<u>(6,714)</u>
MINORITY INTERESTS	19		<u>(1,445)</u>	<u>(1,438)</u>
			<u><u>(8,197)</u></u>	<u><u>(8,152)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


B P Van Danzig
 Director

Date 27/9/13

The notes on pages 9 to 21 form part of these financial statements

THE WASTEPAK GROUP LIMITED
REGISTERED NUMBER: 03985811

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	2011 £000
FIXED ASSETS				
Investments	10		1,401	1,401
CURRENT ASSETS				
Debtors	11	557		558
CREDITORS amounts falling due within one year	12	(1,154)	(1,154)	
NET CURRENT LIABILITIES			(597)	(596)
NET ASSETS			804	805
CAPITAL AND RESERVES				
Called up share capital	16		12	12
Share premium account	17		757	757
Profit and loss account	17		35	36
SHAREHOLDERS' FUNDS	18		804	805

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



B P Van Danzig
Director

Date 27 September 2013

The notes on pages 9 to 21 form part of these financial statements

THE WASTEPAK GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
Net cash flow from operating activities	20	(13)	598
Returns on investments and servicing of finance	21	(84)	(49)
Taxation		(95)	(107)
Capital expenditure and financial investment	21	(92)	(224)
Acquisitions and disposals	21	-	(338)
CASH OUTFLOW BEFORE FINANCING		(284)	(120)
Financing	21	(36)	(166)
DECREASE IN CASH IN THE YEAR		(320)	(286)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £000	2011 £000
Decrease in cash in the year	(320)	(286)
Cash outflow from decrease in debt and lease financing	36	166
MOVEMENT IN NET DEBT IN THE YEAR	(284)	(120)
Net debt at 1 January 2012	(10,476)	(10,356)
NET DEBT AT 31 DECEMBER 2012	(10,760)	(10,476)

The notes on pages 9 to 21 form part of these financial statements

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The consolidated balance sheet is technically insolvent. However the holders of the loan notes in LC Bet Ltd have formally resolved that they will not redeem the loan notes or unpaid interest thereon, if such action would cause the group to be unable to continue as a going concern

The directors have considered the potential outcome of the WEEE Directive (2012/19/U) consultation, its impact on the industry and hence the group business model and have examined the financial impact on the company and wider group which each potential outcome could have. The directors are of the opinion that none of the potential outcomes would affect its ability to continue as a going concern

It is therefore appropriate to continue to prepare the consolidated financial statements on the going concern basis

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of The Wastepack Group Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 TURNOVER

Turnover represents revenue recognised by the group's compliance scheme's in respect of the sale of evidence for recycling undertaken in the year ended 31 December 2012, exclusive of Value Added Tax

1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold property improvements-	over the period of the lease
Plant & machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

1.6 INVESTMENTS

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.8 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.9 PENSIONS

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year

2. OPERATING PROFIT

The operating profit is stated after charging

	2012 £000	2011 £000
Amortisation of goodwill	672	664
Depreciation of tangible fixed assets		
- owned by the group	170	198
Auditors' remuneration	52	52
Operating lease rentals		
Land and Buildings	43	44
	<u> </u>	<u> </u>

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	844	791
Social security costs	123	111
Other pension costs	39	36
	<u>1,006</u>	<u>938</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No	2011 No
Office and management	<u>20</u>	<u>17</u>

4 DIRECTORS' REMUNERATION

	2012 £000	2011 £000
Emoluments	<u>122</u>	<u>114</u>

5 INTEREST PAYABLE

	2012 £000	2011 £000
On investor loan notes	272	275
Other interest payable	2	1
	<u>274</u>	<u>276</u>

6. EXCEPTIONAL ITEMS

	2012 £000	2011 £000
Profit on disposal of interest in subsidiary	<u>-</u>	<u>1,425</u>

During the prior year the company's immediate subsidiary, L C Bet Ltd, allotted further ordinary shares. This resulted in an effective disposal of 15% of the group's interest in the balance sheet of L C Bet Ltd and its subsidiaries, and is reflected as a profit as detailed above.

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 TAXATION

	2012 £000	2011 £000
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	261	101
Adjustments in respect of prior periods	38	(5)
TOTAL CURRENT TAX	<u>299</u>	<u>96</u>
DEFERRED TAX (see note 14)		
Origination and reversal of timing differences	(7)	(10)
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>292</u>	<u>86</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24% (2011 - 20%) The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	<u>247</u>	<u>1,195</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2011 - 20%)	59	239
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	152	133
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	32	11
Capital allowances for year in excess of depreciation	18	14
Adjustments to tax charge in respect of prior periods	38	(5)
Non-taxable income	-	(16)
Effect of different on tax rates	4	19
Unrelieved tax losses carried forward	-	1
Utilisation of tax losses bought forward	2	-
Marginal relief	(6)	-
Profit impact of adjustments made on consolidation	-	(300)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>299</u>	<u>96</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The group has estimated losses of £1,209,882 (2011 - £1,209,882) available to carry forward against future trading profits. The deferred tax asset on these losses, at a tax rate of 24%, is estimated at £290,372 (2011- £290,372). No deferred tax asset has been recognised in these financial statements due to the uncertainty of the timing of the reversal of the losses.

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

8. INTANGIBLE FIXED ASSETS

GROUP	Development £000	Goodwill £000	Total £000
COST			
At 1 January 2012 and 31 December 2012	241	13,436	13,677
AMORTISATION			
At 1 January 2012	241	7,458	7,699
Charge for the year	-	672	672
At 31 December 2012	241	8,130	8,371
NET BOOK VALUE			
At 31 December 2012	-	5,306	5,306
At 31 December 2011	-	5,978	5,978

9. TANGIBLE FIXED ASSETS

GROUP	Leasehold Property Improve'nts £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Computer equipment £000	Total £000
COST						
At 1 January 2012	65	-	318	328	963	1,674
Additions	-	16	31	4	50	101
Disposals	-	-	(30)	-	-	(30)
At 31 December 2012	65	16	319	332	1,013	1,745
DEPRECIATION						
At 1 January 2012	39	-	114	284	662	1,099
Charge for the year	22	1	52	11	84	170
On disposals	-	-	(18)	-	-	(18)
At 31 December 2012	61	1	148	295	746	1,251
NET BOOK VALUE						
At 31 December 2012	4	15	171	37	267	494
At 31 December 2011	26	-	204	44	301	575

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

10. FIXED ASSET INVESTMENTS

	Unlisted investments £000
GROUP	
COST OR VALUATION	
At 1 January 2012 and 31 December 2012	150
IMPAIRMENT	
At 1 January 2012 and 31 December 2012	150
NET BOOK VALUE	
At 31 December 2012	-
At 31 December 2011	-

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company

Name	Holding
LC Bet Limited	85 %

The aggregate of the share capital and reserves as at 31 December 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
LC Bet Limited	(6,812)	176

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
COMPANY			
COST OR VALUATION			
At 1 January 2012 and 31 December 2012	1	1,400	1,401
NET BOOK VALUE			
At 31 December 2012	1	1,400	1,401
At 31 December 2011	1	1,400	1,401

Other fixed asset investments

The net book value of £1,400,000 (2011 - £1,400,000) represents the remaining cost of loan note interest due from L C Bet Ltd

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11. DEBTORS

	GROUP		COMPANY	
	2012	2011	2012	2011
	£000	£000	£000	£000
Trade debtors	499	850	-	-
Amounts owed by group undertakings	-	-	557	558
Other debtors	686	27	-	-
Prepayments and accrued income	2,165	1,238	-	-
	<u>3,350</u>	<u>2,115</u>	<u>557</u>	<u>558</u>

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

	GROUP		COMPANY	
	2012	2011	2012	2011
	£000	£000	£000	£000
Trade creditors	1,664	1,782	-	-
Amounts owed to group undertakings	-	-	1,154	1,154
Corporation tax	306	101	-	-
Social security and other taxes	227	310	-	-
Other creditors	3,355	3,181	-	-
Accruals and deferred income	936	861	-	-
	<u>6,488</u>	<u>6,235</u>	<u>1,154</u>	<u>1,154</u>

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

	GROUP		COMPANY	
	2012	2011	2012	2011
	£000	£000	£000	£000
Investor loan notes	10,866	10,902	-	-

14. DEFERRED TAXATION

	GROUP		COMPANY	
	2012	2011	2012	2011
	£000	£000	£000	£000
At beginning of year	13	23	-	-
Charge for the year	(6)	(10)	-	-
	<u>7</u>	<u>13</u>	<u>-</u>	<u>-</u>

THE WASTEPACK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

14. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	GROUP		COMPANY	
	2012 £000	2011 £000	2012 £000	2011 £000
Accelerated capital allowances	7	(13)	-	-

15. PROVISIONS

GROUP	Direct Recycling provision £000
At 1 January 2012	96
Utilised	(4)
At 31 December 2012	92

WASTEPACK COMPLIANCE SCHEME DIRECT RECYCLING PROVISION BALANCE OF FUNDS

Provisions represent commitments to external recycling initiatives of the group

The Company has no provisions

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

16. SHARE CAPITAL

	2012 £	2011 £
ALLOTTED, CALLED UP AND FULLY PAID		
894,867 (2011 - 894,867) A ordinary shares shares of £0 01 each	8,949	8,949
95,779 (2011 - 95,779) B ordinary shares shares of £0 01 each	958	958
8,000 Deferred shares shares of £0 01 each	80	80
35,931 (2011 - 35,931) C ordinary shares shares of £0 01 each	359	359
130,707 (2011 - 130,707) D ordinary shares shares of £0 01 each	1,307	1,307
	<u>11,653</u>	<u>11,653</u>

Employee Share Option Plan

The Wastepack Group Employees Share Ownership Trust currently holds 10,266 ordinary C shares and 74,788 ordinary D shares, in the company, with a combined nominal value of £851. The current market value is not deemed to be materially different from the carrying value. The cost of funding and administering the plan are charged to the profit and loss account in the year in which they are incurred.

17. RESERVES

	Share premium account £000	Profit and loss account £000
GROUP		
At 1 January 2012	757	(7,483)
Loss for the year		(38)
	<u>757</u>	<u>(7,521)</u>
At 31 December 2012		
	<u>757</u>	<u>(7,521)</u>
COMPANY		
At 1 January 2012	757	36
Loss for the year		(1)
	<u>757</u>	<u>35</u>
At 31 December 2012		
	<u>757</u>	<u>35</u>

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £000	2011 £000
GROUP		
Opening shareholders' deficit	(6,714)	(7,836)
(Loss)/profit for the year	(38)	1,122
	<u>(6,752)</u>	<u>(6,714)</u>
Closing shareholders' deficit		
	<u>(6,752)</u>	<u>(6,714)</u>
 COMPANY	 2012 £000	 2011 £000
Opening shareholders' funds	805	806
Loss for the year	(1)	(1)
	<u>804</u>	<u>805</u>
Closing shareholders' funds		
	<u>804</u>	<u>805</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The loss for the year dealt with in the accounts of the company was £1 (2011 - £-1 thousand)

19. MINORITY INTERESTS

EQUITY	£000
At 1 January 2012	(1,438)
Proportion of profit after taxation for the year	(7)
	<u>(1,445)</u>
At 31 December 2012	<u>(1,445)</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £000	2011 £000
Operating profit	521	46
Amortisation of intangible fixed assets	672	664
Depreciation of tangible fixed assets	170	198
Impairments of fixed assets	-	150
Loss on disposal of tangible fixed assets	3	-
(Increase)/decrease in debtors	(1,228)	600
Decrease in creditors	(147)	(1,034)
Decrease in provisions	(4)	(26)
	<u>(13)</u>	<u>598</u>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		
	<u>(13)</u>	<u>598</u>

THE WASTEPAK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £000	2011 £000
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(84)	(49)
	<u>(84)</u>	<u>(49)</u>
	2012 £000	2011 £000
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(101)	(74)
Sale of tangible fixed assets	9	-
Purchase of unlisted and other investments	-	(150)
	<u>(92)</u>	<u>(224)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(92)</u>	<u>(224)</u>
	2012 £000	2011 £000
ACQUISITIONS AND DISPOSALS		
Purchase of fixed asset investments	-	(322)
Cash acquired on acquisition of subsidiary	-	(16)
	<u>-</u>	<u>(338)</u>
NET CASH FROM ACQUISITIONS AND DISPOSALS	<u>-</u>	<u>(338)</u>
	2012 £000	2011 £000
FINANCING		
Repayment of other loans	(36)	(166)
	<u>(36)</u>	<u>(166)</u>

22. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £000	Cash flow £000	Other non-cash changes £000	31 December 2012 £000
Cash at bank and in hand	426	(320)	-	106
DEBT				
Debts due within one year	-	36	(36)	-
Debts falling due after more than one year	(10,902)	-	36	(10,866)
NET DEBT	<u>(10,476)</u>	<u>(284)</u>	<u>-</u>	<u>(10,760)</u>

THE WASTEPAK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

23 PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £39,056 (2011 - £36,230). Contributions totaling £nil (2011 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

24. OPERATING LEASE COMMITMENTS

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

GROUP	Land and buildings		2012 £000	Other 2011 £000
	2012 £000	2011 £000		
EXPIRY DATE:				
Within 1 year	-	44	-	-
Between 2 and 5 years	-	-	6	6

25. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

On the 31 August 2012 the group issued B P Van Danzig, a director, a loan of £665,691. No interest was charged. At the year end the balance outstanding was £665,691 (2011 - £nil).

26. RELATED PARTY TRANSACTIONS

At the year end the Investor Loan Notes (note 13) were due to B P Van Danzig £5,221,320 (2011 - £5,257,464), and The Pishobury Limited Funded Unapproved Retirement Benefit Scheme £5,644,680 (2011 - £5,644,680). Movements in the year were in respect of loan note capital that were repaid.

At the year end the company owed loan note interest (note 12) to B P Van Danzig £3,001,698 (2011 - £2,871,057), The Wastepack Group Ltd £2,000,000 (2011 - £2,000,000), and The Pishobury Limited Funded Unapproved Retirement Benefit Scheme £154,469 (2011 - £93,344).

During the year the group made charitable donations totalling £2,383 (2011 - £3,419) to Project Hougoumont Limited, a charity under the control of B P Van Danzig. No amounts were outstanding at the year end.

27. CONTROLLING PARTY

The group was under the immediate and ultimate control of B P Van Danzig.

THE WASTEPACK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

28. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
LC Bet Limited	United Kingdom	85	Non trading
Wastepack Limited	United Kingdom	100	Packaging material compliance scheme and recycle broker
Electrolink Recycling Limited	United Kingdom	100	Waste electrical and electronic equipment compliance scheme
Nilwaste Compliance Limited	United Kingdom	100	Waste electrical and electronic equipment compliance scheme
Recycle Wales Limited	United Kingdom	100	Packaging material compliance scheme and recycle broker
Acu-pak Limited	United Kingdom	100	Packaging material compliance scheme and recycle broker