
UK Container Maintenance Limited

Unaudited

Directors' report and financial statements

For the year ended 30 September 2018

UK Container Maintenance Limited

Company Information

Directors	E J Elston MBE E A Wolstenholme
Company secretary	J P Elston
Registered number	03617405
Registered office	17 King Street Knutsford Cheshire WA16 6DW
Trading Address	25 Road One Winsford Cheshire CW7 3QP
Accountants	Hurst & Company Accountants LLP Chartered Accountants Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
Bankers	Santander Bridle Road

UK Container Maintenance Limited

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UK Container Maintenance Limited

**Directors' report
For the year ended 30 September 2018**

The directors present their report and the financial statements for the year ended 30 September 2018.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

UK Container Maintenance Limited

Directors' report (continued)
For the year ended 30 September 2018

Principal activity

The company's principal activity during the year was the repair, refurbishment, remanufacturing and reuse of waste and recycling containers for Local Authorities, Waste Companies and Blue Chip Organisations.

Business review

Across its 20 years trading, the UK's largest family owned container repair and refurbishment company has saved its customers a massive £250 million with the repair and refurbishment of a notable 1.5 million waste & recycling containers. These savings are calculated on the basis that the reconditioning of a waste container is a third of the price of buying a new one.

In 2018 UK Container Maintenance Limited (UKCM) celebrated 20 successful years in business. Which in turn brought some major developments and investments. Making 2018 the most significant year to date for UKCM.

These developments included the move from Northwich to its new state-of-the art 80,000 sq. ft. factory at Road One, Winsford. The new facility houses a full refurbishment plant including wash, shot blast, spray, fabrication and repair and modification booths, as well as an impressive container testing facility.

This major capital investment has allowed the business to significantly increase repair, refurbishment and fabrication capacity particularly with an emphasis on Front End Loaders, Rear End Loaders, Skips and 4 wheeled 500-1280 litre bins.

From October 2017 to March 2018 we were operating from two sites whilst moving the operation over to Winsford.

The cost of running the two sites at the same time has of course impacted the accounts by approx. - £300,000.

The move has increased our production and streamlined our processes and we are pleased to confirm that our forecasted turnover for October 2018 – September 2019 is £7.5 million with a gross profit of £2.5 million.

The directors who served during the year were:

E J Elston MBE
E A Wolstenholme

Small companies note

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

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

UK CONTAINER MAINTENANCE LIMITED Financial Accounts 2018-09-30

Director

Date: 25 June 2019

UK Container Maintenance Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of UK Container Maintenance Limited for the year ended 30 September 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of UK Container Maintenance Limited for the year ended 30 September 2018 which comprise the Statement of income and retained earnings, the Balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of UK Container Maintenance Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of UK Container Maintenance Limited and state those matters that we have agreed to state to the board of directors of UK Container Maintenance Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UK Container Maintenance Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that UK Container Maintenance Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of UK Container Maintenance Limited. You consider that UK Container Maintenance Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of UK Container Maintenance Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Hurst & Company Accountants LLP

Chartered Accountants
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD
25 June 2019

UK Container Maintenance Limited

Statement of income and retained earnings
For the year ended 30 September 2018

	Note	2018 £	2017 £
Turnover		6,941,494	6,142,789
Cost of sales		(4,626,968)	(4,044,371)
Gross profit		2,314,526	2,098,418
Administrative expenses		(2,325,279)	(1,831,040)
Operating (loss)/profit		(10,753)	267,378
Interest receivable and similar income		275	138
Interest payable and expenses		(75,496)	(63,231)
(Loss)/profit before tax		(85,974)	204,285
Tax on (loss)/profit		91,201	(39,410)
Profit after tax		5,227	164,875
Retained earnings at the beginning of the year		958,848	793,973
		958,848	793,973
Profit for the year		5,227	164,875
Retained earnings at the end of the year		964,075	958,848

The notes on pages 6 to 14 form part of these financial statements.

UK Container Maintenance Limited
Registered number: 03617405

Balance sheet
As at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	714,340	591,997
Current assets			
Stocks		1,297,664	1,235,734
Debtors: amounts falling due within one year	5	1,682,160	1,289,543
Cash at bank and in hand		552,869	344,770
		<u>3,532,693</u>	<u>2,870,047</u>
Creditors: amounts falling due within one year	6	(3,069,376)	(2,131,727)
Net current assets		<u>463,317</u>	<u>738,320</u>
Total assets less current liabilities		<u>1,177,657</u>	<u>1,330,317</u>
Creditors: amounts falling due after more than one year	7	(213,580)	(312,111)
Provisions for liabilities			
Deferred tax	10	-	(59,356)
Net assets		<u><u>964,077</u></u>	<u><u>958,850</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		964,075	958,848
		<u><u>964,077</u></u>	<u><u>958,850</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

UK CONTAINER MAINTENANCE LIMITED Financial Accounts 2018-09-30

E A Wolstenholme
Director

Date: 25 June 2019

The notes on pages 6 to 14 form part of these financial statements.

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

1. General information

UK Container Maintenance Limited is a company limited by members capital incorporated in England and Wales. The address of the registered office is 17 King Street, Knutsford, Cheshire, WA16 6DW and principal place of business is 25 Road One, Winsford, Cheshire, CW7 3QP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

2. Accounting policies (continued)

2.3 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Holiday pay

A liability or asset is recognised to the extent of any unused or overtaken holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	10%	Straight Line
Leasehold improvements	-	10%	Straight Line
Plant and machinery	-	20%	Straight Line
Motor vehicles	-	20%	Straight Line
Other fixed assets	-	20%	Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

3. Employees

The average monthly number of employees, including directors, during the year was 82 (2017 -70).

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

4. Tangible fixed assets

	Long-term leasehold property	Leasehold improvements	Plant and machinery	Motor vehicles	Other fixed assets	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 October 2017	133,160	161,863	978,580	108,868	30,514	1,412,985
Additions	-	72,636	212,738	-	-	285,374
Disposals	(69,926)	-	(308,851)	(101,534)	-	(480,311)
Transfers between classes	(63,234)	-	63,234	-	-	-
At 30 September 2018	-	234,499	945,701	7,334	30,514	1,218,048
Depreciation						
At 1 October 2017	102,444	3,487	590,546	105,780	18,729	820,986
Charge for the year on owned assets	15,607	22,061	114,651	1,529	6,103	159,951
Disposals	(69,926)	-	(305,935)	(101,368)	-	(477,229)
Transfers between classes	(48,125)	-	48,125	-	-	-
At 30 September 2018	-	25,548	447,387	5,941	24,832	503,708
Net book value						
At 30 September 2018	-	208,951	498,314	1,393	5,682	714,340
At 30 September 2017	30,716	158,376	388,034	3,088	11,785	591,999

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Long term leasehold property	-	3,091
Plant and machinery	216,594	255,700
	<u>216,594</u>	<u>258,791</u>

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

5. Debtors

	2018	2017
	£	£
Trade debtors	1,551,653	1,041,304
Other debtors	7,438	190,021
Prepayments and accrued income	61,494	28,487
Tax recoverable	41,316	29,730
Deferred taxation	20,259	-
	<u>1,682,160</u>	<u>1,289,542</u>

6. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Other loans	105,903	68,727
Trade creditors	974,337	801,405
Taxation and social security	342,969	231,206
Obligations under finance lease and hire purchase contracts	112,871	67,641
Proceeds of factored debts	1,161,108	791,830
Other creditors	134,673	129,590
Accruals and deferred income	237,515	41,329
	<u>3,069,376</u>	<u>2,131,728</u>

Secured creditors

Included within other loans is £12,224 (2017: £12,224) which is secured by way of personal guarantee from one of the directors. Proceeds of factored debts are secured over the company's trade debtors, in favour of Close Brothers Limited. Net obligations under hire purchase contracts of £112,871 (2017: £67,641) are secured against the assets to which they relate.

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

7. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Other loans	6,093	56,683
Net obligations under finance leases and hire purchase contracts	207,487	255,428
	<u>213,580</u>	<u>312,111</u>

Secured creditors

Included within other loans is £6,093 (2017: £18,587) which is secured by way of a personal guarantee from one of the directors. Net obligations under hire purchase contracts of £207,487 (2017: £255,428) are secured against the assets to which they relate.

8. Loans

Analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year		
Other loans	105,903	68,727
	<u>105,903</u>	<u>68,727</u>
Amounts falling due 1-2 years		
Other loans	6,093	56,683
	<u>6,093</u>	<u>56,683</u>
Amounts falling due 2-5 years		
Amounts falling due after more than 5 years		
	<u>-</u>	<u>-</u>

UK Container Maintenance Limited

Notes to the financial statements
For the year ended 30 September 2018

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	112,871	67,641
Between 1-2 years	207,487	255,428
	<u>320,358</u>	<u>323,069</u>

10. Deferred taxation

	2018 £	2017 £
At beginning of year	(59,356)	(19,946)
Charged to profit or loss	79,615	(39,410)
At end of year	<u>20,259</u>	<u>(59,356)</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(76,932)	(59,356)
Tax losses carried forward	97,191	-
	<u>20,259</u>	<u>(59,356)</u>

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £24,322 (2017 : £28,428).

Contributions totalling £19,520 (2017 : £8,957) were payable to the fund at the balance sheet date and are included in creditors.

12. Directors' benefits: advances, credit and guarantees

During the year, the company paid expenses of £7,497 on behalf of, and paid cash of £1,312 to Mrs Emma Elston MBE, a director. Mrs E Elston MBE paid expenses on behalf of the company of £18,495. At the balance sheet date Mrs E Elston MBE owed the company £nil (2017: £111,439).

UK Container Maintenance Limited

**Notes to the financial statements
For the year ended 30 September 2018**

13. Directors' personal guarantees

Included within other loans is £18,317 (2017: £30,811) which is secured by way of a personal guarantee from one of the directors.

14. Related party transactions

In the year a shareholder repaid a loan of £54,008. At the balance sheet date the shareholder owed the company £nil (2017 : £54,008).

