

Perrys Recycling Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Perrys Recycling Limited

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Perrys Recycling Limited
(Registration number: 01195655)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	22,050	22,050
Tangible assets	5	1,679,431	1,917,637
Investment in associate	6	130,640	117,657
Investments	7	5,000	5,000
		<u>1,837,121</u>	<u>2,062,344</u>
Current assets			
Stocks	8	329,516	294,980
Debtors	9	1,110,329	1,094,211
Cash at bank and in hand		1,604,433	768,716
		<u>3,044,278</u>	<u>2,157,907</u>
Creditors: Amounts falling due within one year	10	<u>(1,261,953)</u>	<u>(1,118,028)</u>
Net current assets		<u>1,782,325</u>	<u>1,039,879</u>
Total assets less current liabilities		3,619,446	3,102,223
Creditors: Amounts falling due after more than one year	10	(234,714)	(277,117)
Provisions for liabilities		<u>(283,950)</u>	<u>(236,725)</u>
Net assets		<u>3,100,782</u>	<u>2,588,381</u>
Capital and reserves			
Called up share capital		3,200	3,200
Profit and loss account		<u>3,097,582</u>	<u>2,585,181</u>
Total equity		<u>3,100,782</u>	<u>2,588,381</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 20 September 2022 and signed on its behalf by:

Mr CJ Perry
Director

The notes on pages [2](#) to [13](#) form an integral part of these financial statements.
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Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Rimpton Road
Marston Magna
Yeovil
Somerset
BA22 8DL

These financial statements were authorised for issue by the Board on 20 September 2022.

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Name of parent of group

These financial statements are consolidated in the financial statements of Perrys Holdings Limited.

The financial statements of Perrys Holdings Limited may be obtained from Rimpton Road, Marston Magna, Yeovil, Somerset, BA22 8DL.

Going concern

The worldwide Covid-19 pandemic continued to impact upon the company's trading activity during the year and continues to be a threat post year end. However, the directors are confident the business through the bank reserves of the group and the current level of trading has adequate reserves and accordingly continues to prepare its financial statements on a going concern basis.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 21 September 2022 was Mr Nigel Fry, who signed for and on behalf of Milsted Langdon LLP.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when all of the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- all of the significant risks and rewards of ownership have been transferred to the customer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

Government grants

Government grants are accrued on a systematic basis over the period that the related costs have been recognised. Where the costs have already been incurred then government grants are credited to the profit and loss account in full.

Finance income and costs policy

Interest income and expenses are recognised using the effective interest rate method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made. Goodwill has been fully amortised.

Intangible assets

Subsidiary entitlement rights, in connection with gaining entitlement rights for income support from the land owned, are held at fair value. The income received from the rights is recognised in other income when the proceeds are received or receivable.

Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Property improvements	10% straight line
Other property, plant and equipment	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance or 25% straight line
Motor vehicles and trailers	20% reducing balance

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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, stocks are assessed for impairment. If stocks are 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.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets or financial liabilities.

Recognition and measurement

Financial assets are measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Impairment

Financial instruments are assessed for impairment at the end of each reporting period with an impairment loss being recognised in the profit or loss.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 63 (2020 - 67).

4 Intangible assets

	Goodwill £	Subsidiary entitlement rights £	Total £
Cost or valuation			
At 1 January 2021	178,468	22,050	200,518
At 31 December 2021	178,468	22,050	200,518
Amortisation			
At 1 January 2021	178,468	-	178,468
At 31 December 2021	178,468	-	178,468
Carrying amount			
At 31 December 2021	-	22,050	22,050
At 31 December 2020	-	22,050	22,050

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Intangible assets carried at revalued amounts

Subsidy entitlement rights, purchased in 2007, are in connection with gaining entitlement rights for income support from the land owned. They are held at fair value subject to a review by the directors at each year end. At 31 December 2021 they have been valued at £22,050 (2020 - £22,050). The valuation is based on the expectation that the income support will continue to be received and the amount expected to be received each year. Had the rights been carried using the cost model the carrying amount would be £Nil (2020 - £Nil).

5 Tangible assets

	Property improvements £	Fixtures, fittings and equipment £	Motor vehicles and trailers £	Other property, plant and equipment £	Total £
Cost					
At 1 January 2021	65,837	135,141	2,804,971	6,175,360	9,181,309
Additions	2,194	37,237	28,000	15,372	82,803
Disposals	-	-	(83,351)	(25,545)	(108,896)
At 31 December 2021	68,031	172,378	2,749,620	6,165,187	9,155,216
Depreciation					
At 1 January 2021	22,337	120,883	2,254,915	4,865,537	7,263,672
Charge for the year	50	8,285	112,081	196,343	316,759
Eliminated on disposal	-	-	(82,548)	(22,098)	(104,646)
At 31 December 2021	22,387	129,168	2,284,448	5,039,782	7,475,785
Carrying amount					
At 31 December 2021	45,644	43,210	465,172	1,125,405	1,679,431
At 31 December 2020	43,500	14,258	550,056	1,309,823	1,917,637

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

6 Investments in associate

	2021 £	2020 £
Investments in associates	130,640	117,657
Associates		£
Cost or valuation		
At 1 January 2021		117,657
Uplift in value of associate		12,983
At 31 December 2021		130,640
Carrying amount		
At 31 December 2021		130,640
At 31 December 2020		117,657

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Associates				
The Shredding Alliance Holdings Limited	842 Garstang Road, Barton, Preston, England, PR3 5AA England and Wales	Ordinary	20%	20%

Associates

The Shredding Alliance Holdings Limited

The principal activity of The Shredding Alliance Holdings Limited is collection of non-hazardous waste.

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

7 Fixed asset investments

	Investments £	Total £
Investments		
Cost		
At 1 January 2021	5,000	5,000
At 31 December 2021	5,000	5,000
Carrying amount		
At 31 December 2021	5,000	5,000

PERRYS RECYCLING LIMITED Financial Accounts 2021-12-31

At 31 December 2020

5,000 5,000

8 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	<u>329,516</u>	<u>294,980</u>

9 Debtors

	2021	2020
	£	£
Trade debtors	963,233	917,074
Amounts owed by group and associate undertakings	14,405	27,600
Other debtors	22,178	58,184
Prepayments and accrued income	<u>110,513</u>	<u>91,353</u>
	<u>1,110,329</u>	<u>1,094,211</u>

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	11	86,265	186,713
Trade creditors		417,431	306,470
Amounts owed to group undertakings		169,424	160,884
Taxation and social security		371,437	299,063
Other creditors		11,465	9,561
Accruals and deferred income		205,931	155,337
		<u>1,261,953</u>	<u>1,118,028</u>

Loans and borrowings include net obligations under finance lease and hire purchase contracts which are secured of £86,265 (2020 - £186,713).

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	11	<u>234,714</u>	<u>277,117</u>

Loans and borrowings include net obligations under finance lease and hire purchase contracts which are secured of £234,714 (2020 - £277,117).

11 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Net obligations under finance lease and hire purchase contracts	<u>234,714</u>	<u>277,117</u>
Current loans and borrowings		
Net obligations under finance lease and hire purchase contracts	<u>86,265</u>	<u>186,713</u>

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £399,157 (2020 - £19,002).

Amounts disclosed in the balance sheet

Included in the balance sheet are financial commitments of £347,566 (2020 - £507,226). These financial commitments relate to hire purchase agreements, which are secured against the assets to which they relate.

13 Related party transactions

Transactions with directors

PERRYS RECYCLING LIMITED Financial Accounts 2021-12-31

	2020 £	directors £	director £	2020 £
During the year interest free loans repayable on demand were made available to directors	7,248	941	(8,189)	-

Summary of transactions with all associates

During the year the company provided an associate company a loan which is interest free.

Loans to related parties

	Associates £	Total £
2021		
At start of period	26,100	26,100
Repaid	(14,300)	(14,300)
At end of period	11,800	11,800
2020		
At start of period	29,400	29,400
Repaid	(3,300)	(3,300)
At end of period	26,100	26,100

Perrys Recycling Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

14 Parent and ultimate parent undertaking

The company's immediate parent is Perrys Holdings Limited, incorporated in England and Wales.

These financial statements are available upon request from Perrys Recycling Limited, Rimpleton Road, Marston Magna, Yeovil, Somerset, BA22 8DL.