

LOCAL COMMUNITY RECYCLING SERVICES LTD

REPORT OF THE DIRECTOR AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

Four Oaks Taxation & Accounting Services Limited
Suite D, Astor House
282 Lichfield Road
Four Oaks
Sutton Coldfield
West Midlands
B74 2UG

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FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010**

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LOCAL COMMUNITY RECYCLING SERVICES LTD

COMPANY INFORMATION

FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

DIRECTOR: D. Fitzgerald

SECRETARIES:

REGISTERED OFFICE: Unit 12-13 Willow Row
Cartwright Ind Estate Longton
Stoke-on-trent
Staffordshire
ST3 2PU

REGISTERED NUMBER: 06692067 (England and Wales)

ACCOUNTANTS: Four Oaks Taxation & Accounting Services Limited
Suite D, Astor House
282 Lichfield Road
Four Oaks
Sutton Coldfield
West Midlands
B74 2UG

**REPORT OF THE DIRECTOR
FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010**

The director presents his report with the financial statements of the company for the period 9 September 2008 to 28 February 2010.

INCORPORATION

The company was incorporated on 9 September 2008 and commenced trading on 30 October 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of collecting and distributing used clothing.

DIRECTORS

The directors who have held office during the period from 9 September 2008 to the date of this report are as follows:

D. Fitzgerald - appointed 25 January 2010
A Pomelli - appointed 9 September 2008 - resigned 6 May 2009
C Pomelli - appointed 1 April 2009 - resigned 25 January 2010
D K Hide - appointed 25 January 2010

D K Hide ceased to be a director after 28 February 2010 but prior to the date of this report.

The director who is eligible offers himself for election at the forthcoming first Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Director

10 September 2010

LOCAL COMMUNITY RECYCLING SERVICES LTD

**REPORT OF THE ACCOUNTANTS TO THE DIRECTOR OF
LOCAL COMMUNITY RECYCLING SERVICES LTD**

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 28 February 2010 set out on pages four to eight and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Four Oaks Taxation & Accounting Services Limited
Suite D, Astor House
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Sutton Coldfield
West Midlands

10 September 2010

This page does not form part of the statutory financial statements

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

	Notes	£
TURNOVER		7,999,778
Cost of sales		<u>6,807,288</u>
GROSS PROFIT		1,192,490
Administrative expenses		<u>1,369,993</u>
		(177,503)
Other operating income		<u>11,341</u>
OPERATING LOSS	2	(166,162)
Interest payable and similar charges		<u>1,055</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(167,217)
Tax on loss on ordinary activities	3	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u><u>(167,217)</u></u>

The notes form part of these financial statements

BALANCE SHEET
28 FEBRUARY 2010

	Notes	£	£
FIXED ASSETS			
Tangible assets	4		97,082
CURRENT ASSETS			
Stocks		121,247	
Debtors	5	400,167	
Cash at bank		68,919	
		<u>590,333</u>	
CREDITORS			
Amounts falling due within one year	6	854,532	
		<u>854,532</u>	
NET CURRENT LIABILITIES			(264,199)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(167,117)</u>
CAPITAL AND RESERVES			
Called up share capital	7		100
Profit and loss account	8		(167,217)
			<u>(167,117)</u>
SHAREHOLDERS' FUNDS			<u>(167,117)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 28 February 2010.

The members have not required the company to obtain an audit of its financial statements for the period ended 28 February 2010 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the director on 10 September 2010 and were signed by:

D. Fitzgerald - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. OPERATING LOSS

The operating loss is stated after charging:

	£
Depreciation - owned assets	29,084
Foreign exchange differences	389
	<u> </u>
Directors' remuneration and other benefits etc	68,523
	<u> </u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
Additions	88,261	29,439	8,466	126,166
At 28 February 2010	88,261	29,439	8,466	126,166
DEPRECIATION				
Charge for period	24,948	2,658	1,478	29,084
At 28 February 2010	24,948	2,658	1,478	29,084
NET BOOK VALUE				
At 28 February 2010	63,313	26,781	6,988	97,082

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	241,940
Other debtors	158,227
	<u>400,167</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	562,206
Amounts owed to participating interests	57,626
Taxation and social security	138,444
Other creditors	96,256
	<u>854,532</u>

Included in other creditors is an amount owed to the director of £30,000.

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
100	Ordinary	£1	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
 FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

8. RESERVES

	Profit and loss account £
Deficit for the period	(167,217)
At 28 February 2010	<u>(167,217)</u>

9. RELATED PARTY DISCLOSURES

The company participated in transactions with UK Clothing Collections Limited, a company owned and controlled by a previous director Mr C. Pomelli. The transactions are outlined as follows:

	Cost transfers	Fixed asset transfers	Cash transfers	Bad debt write-off	Debtor at 28 February 2010
UK Clothing Collections Ltd	(250,000)	(98,687)	531,484	(182,797)	-

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010**

	£	£
Sales		7,999,778
Cost of sales		
Purchases	5,898,846	
Licence fees	162,638	
Wages	528,718	
Hire of plant and machinery	74,217	
Carriage	240,688	
Van and trailer expenses	23,428	
	<u>6,928,535</u>	
Closing valuation	(121,247)	<u>6,807,288</u>
GROSS PROFIT		1,192,490
Other income		
Rents received	7,069	
Sundry receipts	4,272	
	<u>11,341</u>	<u>1,203,831</u>
Expenditure		
Rent	89,468	
Rates and water	31,173	
Insurance	17,183	
Light and heat	21,209	
Directors' salaries	68,523	
Directors' social security	7,312	
Wages	333,865	
Employers national insurance	4,877	
Hire of plant and machinery	1,671	
Motor vehicle leasing	84,583	
Telephone	22,921	
Printing, post and stationery	20,151	
Advertising	14,356	
Travelling	35,310	
Vehicle running costs	88,586	
Implement repairs	4,558	
Repairs and renewals	33,014	
Security costs	4,057	
Household and cleaning	405	
Computer running expenses	13,538	
Subscriptions and donations	250	
Sundry expenses	24,161	
Accountancy	73,928	
Consultancy fees	4,515	
Recruitment expenses	1,586	
Legal fees	5,626	
	<u>1,006,826</u>	<u>1,203,831</u>
Carried forward		

This page does not form part of the statutory financial statements

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 9 SEPTEMBER 2008 TO 28 FEBRUARY 2010

	£	£
Brought forward	1,006,826	1,203,831
Foreign exchange losses	389	
Depreciation of tangible fixed assets		
Plant and machinery	24,948	
Fixtures and fittings	2,658	
Computer equipment	1,478	
Entertainment	8,943	
Bad debts	308,083	
	<hr/>	1,353,325
		(149,494)
Finance costs		
Bank and credit card charges	16,668	
Bank interest	16	
Bank loan interest	1,039	
	<hr/>	17,723
NET LOSS		<u><u>(167,217)</u></u>

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