

Company Registration No. 2644759 (England and Wales)

SAVE-A-CUP RECYCLING COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

SAVE-A-CUP RECYCLING COMPANY LIMITED

COMPANY INFORMATION

Directors	J D Hoskin H J Kloeze PR Allen (Appointed 1 January 2008) D Vennard (Appointed 1 January 2008) D M Smith (Appointed 5 February 2008) M Jones A Porter R Williams
Secretary	R King
Company number	2644759
Registered office	Bridge House Bridge Street High Wycombe Buckinghamshire HP11 2EL
Auditors	Saffery Champness Fox House 26 Temple End High Wycombe Buckinghamshire HP13 5DR
Bankers	Lloyds TSB Bank plc 13 High Street High Wycombe Bucks HP11 2BD
Solicitors	Reynolds Parry Jones 10 Easton Street High Wycombe Buckinghamshire HP11 1NP

SAVE-A-CUP RECYCLING COMPANY LIMITED

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SAVE-A-CUP RECYCLING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and financial statements for the year ended 31 March 2008.

Principal activities

The principal activity of the company is to promote the recycling of used hard wall polystyrene vending cups within the UK. This is achieved through the provision of a collection service for used cups which are then baled and sold on for recycling, or further processed by third parties into compound, for use in the manufacture of Save-A-Cup promotional products.

The company is operated on a not for profit basis by agreement with all shareholders. Cup collection activities are funded principally by an Environmental Charge which is levied on hard wall polystyrene cups at their first point of sale in the UK. The continuing decline of the UK polystyrene cup market at a rate of approximately 8% pa has resulted in a corresponding decrease in the amount of environmental levy revenue flowing into the company.

As a result the company has been very active in developing new income streams.

Save a Cup's "charge per bag" of cups collected has now become established as a major revenue stream for the company and is one of the best potential sources of revenue for the future.

An annual administration charge which is levied on scheme members to cover the cost of issuing the annual waste transfer notes and complying with other legislative requirements has also been widely accepted and now constitutes a significant revenue stream.

As these new revenue streams have developed Save a Cup has continued to improve the quality of the PS06 cup collection service and to offer collections of Polypropylene and Paper vending cups and also used vending drink sachets. These new collection activities are funded by a site collection charge.

Directors

The following directors have held office since 1 April 2007:

J D Hoskin	
H J Kloeze	
PR Allen	(Appointed 1 January 2008)
D Vennard	(Appointed 1 January 2008)
D M Smith	(Appointed 5 February 2008)
Q Knowlson	(Resigned 5 February 2008)
C Easdown	(Resigned 30 May 2008)
M Jones	
A Porter	
R Williams	

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

SAVE-A-CUP RECYCLING COMPANY LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2008

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which 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 1985. 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

J D Hoskin

Director

30 September 2008

SAVE-A-CUP RECYCLING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAVE-A-CUP RECYCLING COMPANY LIMITED

We have audited the financial statements of Save-A-Cup Recycling Company Limited on pages 5 to 14 for the year ended 31 March 2008. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SAVE-A-CUP RECYCLING COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF SAVE-A-CUP RECYCLING COMPANY LIMITED**

Opinion

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended; and

the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the directors' report is consistent with the financial statements.

Saffery Champness

30 September 2008

Chartered Accountants
Registered Auditors

Fox House
26 Temple End
High Wycombe
Buckinghamshire
HP13 5DR

SAVE-A-CUP RECYCLING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover	2	1,093,393	1,019,963
Cost of sales		(691,520)	(662,688)
Gross profit		401,873	357,275
Administrative expenses		(410,353)	(366,116)
Operating loss	3	(8,480)	(8,841)
Other interest receivable and similar income		8,727	9,384
Interest payable and similar charges	4	(11)	(210)
Profit on ordinary activities before taxation		236	333
Tax on profit on ordinary activities	5	(1,847)	(936)
Loss on ordinary activities after taxation	11	(1,611)	(603)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

SAVE-A-CUP RECYCLING COMPANY LIMITED

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	6		37,911		50,608
Current assets					
Stocks		17,352		38,442	
Debtors	7	146,720		99,949	
Cash at bank and in hand		184,325		180,513	
		<u>348,397</u>		<u>318,904</u>	
Creditors: amounts falling due within one year	8	<u>(163,000)</u>		<u>(144,593)</u>	
Net current assets			<u>185,397</u>		<u>174,311</u>
Total assets less current liabilities			<u>223,308</u>		<u>224,919</u>
Creditors: amounts falling due after more than one year	9		<u>(10,000)</u>		<u>(10,000)</u>
			<u>213,308</u>		<u>214,919</u>
Capital and reserves					
Called up share capital	10	145,000		145,000	
Other reserves	11	5,000		5,000	
Profit and loss account	11	63,308		64,919	
Shareholders' funds - equity interests	12		<u>213,308</u>		<u>214,919</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 7 to 14 form part of these financial statements.

The financial statements were approved by the board on 30 September 2008

J D Hoskin
Director

SAVE-A-CUP RECYCLING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 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 less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% per annum
Office Equipment	25% per annum
Motor vehicles	25-50% per annum

1.3 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are only recognised to the extent that, on the basis of all evidence, it can be regarded as more likely than not, that there will be sufficient taxable profits from which the future reversal of underlying timing differences can be deducted.

1.6 One-off payments

One-off payments are additional payments made by cup manufacturers and ingredient suppliers to supplement the income of the company.

1.7 Environmental Charge

During the year ended 31 March 2008 this charge was levied at the rate of 0.018p (2007:0.018p) per cup on sales of cups into the mainland market place and forwarded direct to the company.

SAVE-A-CUP RECYCLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

2 Turnover

Turnover represents Environmental Charge, "charge per bag" of cups collected, annual administration charge and amounts derived from the sale of recycled polystyrene waste and related products, end-use and ancillary items, after the deduction of value added tax. All the turnover and profit before taxation arises in the United Kingdom.

3 Operating loss	2008	2007
	£	£
Operating loss is stated after charging/(crediting):		
Depreciation of tangible assets	18,005	20,029
Operating lease rentals		
- Motor vehicle	8,361	7,482
- Plant & machinery	22,929	27,952
Auditors' remuneration	2,500	2,500
Environmental charge	(403,090)	(457,382)
	<u> </u>	<u> </u>

4 Interest payable	2008	2007
	£	£
Hire purchase interest	11	210
	<u> </u>	<u> </u>

SAVE-A-CUP RECYCLING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008

5 Taxation	2008	2007
	£	£
Domestic current year tax		
U.K. corporation tax	1,847	936
	<u>1,847</u>	<u>936</u>
Current tax charge	<u>1,847</u>	<u>936</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	236	333
	<u>236</u>	<u>333</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2007: 19.00%)	47	63
	<u>47</u>	<u>63</u>
Effects of:		
Non deductible expenses	1,169	828
Depreciation add back	3,601	3,806
Capital allowances	(3,359)	(3,761)
Other tax adjustments	389	-
	<u>1,800</u>	<u>873</u>
Current tax charge	<u>1,847</u>	<u>936</u>

SAVE-A-CUP RECYCLING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008

6 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2007	134,571
Additions	9,067
Disposals	(15,032)
	<hr/>
At 31 March 2008	128,606
	<hr/>
Depreciation	
At 1 April 2007	83,963
On disposals	(11,274)
Charge for the year	18,006
	<hr/>
At 31 March 2008	90,695
	<hr/>
Net book value	
At 31 March 2008	37,911
	<hr/> <hr/>
At 31 March 2007	50,608
	<hr/> <hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 March 2008	-
	<hr/> <hr/>
At 31 March 2007	4,384
	<hr/> <hr/>
Depreciation charge for the year	
At 31 March 2008	-
	<hr/> <hr/>
At 31 March 2007	3,758
	<hr/> <hr/>

SAVE-A-CUP RECYCLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

7 Debtors	2008	2007
	£	£
Trade debtors	145,186	96,370
Other debtors	1,534	3,579
	<u>146,720</u>	<u>99,949</u>
8 Creditors: amounts falling due within one year	2008	2007
	£	£
Net obligations under hire purchase contracts	-	883
Trade creditors	85,668	59,899
Taxation and social security	28,242	33,846
Other creditors	49,090	49,965
	<u>163,000</u>	<u>144,593</u>
9 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Convertible loan stock (see note below)	<u>10,000</u>	<u>10,000</u>

The non-transferable subordinated loan stock is repayable, in full or in part, at nominal value upon three months notice being issued by the company. The loan stock is convertible at any time, at the option of the holder, at a rate of £100 nominal value of ordinary "A" shares for every £100 nominal value of stock. The loan stock is non-interest bearing.

SAVE-A-CUP RECYCLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

10 Share capital	2008	2007
	£	£
Authorised		
90,000 "A" Shares of £1 each	90,000	90,000
260,000 "B" Shares of £1 each	260,000	260,000
25,000 "C" Shares of £1 each	25,000	25,000
	<u>375,000</u>	<u>375,000</u>
Allotted, called up and fully paid		
40,000 "A" Shares of £1 each	40,000	40,000
80,000 "B" Shares of £1 each	80,000	80,000
25,000 "C" Shares of £1 each	25,000	25,000
	<u>145,000</u>	<u>145,000</u>

The three classes of shareholders have different rights associated with the appointment of directors. In all other respects, the three classes of shareholder have the same rights and rank pari passu in all respects.

10,000 "A" shares of £1 each were re-designated as 10,000 "B" shares ranking pari passu with the existing "B" shares and having the rights and restrictions attached to "B" shares on 14 December 1999.

The authorised share capital of the company was increased to £375,000 divided into 90,000 "A" shares of £1 each, 260,000 "B" shares of £1 each and 250,000 "C" shares of £1 each on 14 December 1999.

20,000 "C" shares were issued at their nominal value of £1 each on 14 December 1999.

11 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2007	5,000	64,919
Retained loss for the year	-	(1,611)
	<u>5,000</u>	<u>63,308</u>
Balance at 31 March 2008	<u>5,000</u>	<u>63,308</u>
Other reserves		
Capital redemption reserve		
Balance at 1 April 2007 & at 31 March 2008	<u>5,000</u>	

SAVE-A-CUP RECYCLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

12 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Loss for the financial year	(1,611)	(603)
Opening shareholders' funds	214,919	215,522
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>213,308</u>	<u>214,919</u>

13 Financial commitments

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Expiry date:				
Within one year	-	-	1,366	3,117
Between two and five years	-	-	28,013	17,591
In over five years	18,500	18,500	-	-
	<u>18,500</u>	<u>18,500</u>	<u> </u>	<u> </u>
	<u>18,500</u>	<u>18,500</u>	<u>29,379</u>	<u>20,708</u>

14 Directors' emoluments	2008	2007
	£	£
Emoluments for qualifying services	<u>27,200</u>	<u>24,900</u>

SAVE-A-CUP RECYCLING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

15 Employees

Number of employees

The average monthly number of employees during the year was:

	2008	2007
	Number	Number
Administration	7	7
Representation and collection	9	9
	<u>16</u>	<u>16</u>
	<u><u>16</u></u>	<u><u>16</u></u>
Employment costs	£	£
Wages and salaries	366,561	347,678
Social security costs	35,105	33,621
	<u>401,666</u>	<u>381,299</u>
	<u><u>401,666</u></u>	<u><u>381,299</u></u>

SAVE-A-CUP RECYCLING COMPANY LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	2008	2007
	£	£
Turnover		
Sales	1,093,393	1,019,963
Cost of sales		
Purchases	401,197	367,097
Wages and salaries (excl. N.I.)	165,520	168,409
Employer's N.I. contributions	15,531	14,972
Motor expenses	77,348	78,855
Travel and subsistence	5,792	3,195
Telephone	1,438	1,195
Sundries	1,765	1,013
Leasing of plant and machinery	22,929	27,952
	<u>(691,520)</u>	<u>(662,688)</u>
Gross profit	401,873	357,275
Administrative expenses	<u>(410,353)</u>	<u>(366,116)</u>
Operating loss	(8,480)	(8,841)
Other interest receivable and similar income		
Bank interest received	8,727	9,384
Interest payable		
Hire purchase interest paid	<u>(11)</u>	<u>(210)</u>
Profit before taxation	<u><u>236</u></u>	<u><u>333</u></u>

This page does not form part of the financial statements on which the auditors have reported.

SAVE-A-CUP RECYCLING COMPANY LIMITED**SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 MARCH 2008**

	2008	2007
	£	£
Administrative expenses		
Wages and salaries (excl. N.I.)	201,041	179,269
Directors' remuneration	27,200	24,900
Employer's N.I. contributions	19,574	18,649
Staff recruitment and training	5,535	8,732
Rent	17,921	13,535
Rates	9,425	5,112
Insurance	9,316	9,041
General office costs	706	456
Cleaning	3,661	2,816
Service charge payable	5,486	4,157
Printing, postage and stationery	13,599	14,281
Promotion	20,076	15,312
Telephone	3,828	4,668
Computer running costs	17,071	11,306
Hire of equipment	1,109	974
Motor vehicle leasing	8,361	7,482
Motor running expenses	7,787	7,520
Travelling expenses	5,995	4,507
Entertaining	93	97
Legal and prof fees	5,198	4,680
Consultancy fees	1,140	657
Audit fees	4,475	4,200
Bank charges	1,625	1,407
Credit card charges	1,339	1,348
Discounts received	7	61
Sundry expenses	255	431
Subscriptions - allowable	525	489
Depreciation on office equipment	5,164	4,869
Depreciation on motor vehicles	12,841	15,160
	<hr/>	<hr/>
	410,353	366,116
	<hr/> <hr/>	<hr/> <hr/>

This page does not form part of the financial statements on which the auditors have reported.