

Financial Statements
for the Year Ended 31st December 2020
for
RECOLIGHT LIMITED

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for the year ended 31st December 2020**

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RECOLIGHT LIMITED

**Company Information
for the year ended 31st December 2020**

DIRECTORS:

A F Adam
A Clark
D Nauth
R Sprott

SECRETARY:

N D Harvey

REGISTERED OFFICE:

Airport House
Purley Way
Croydon
Surrey
CR0 0XZ

REGISTERED NUMBER:

05496729 (England and Wales)

AUDITORS:

Simpson Wreford & Partners
Chartered Accountants & Statutory Auditors
Suffolk House
George Street
Croydon
Surrey
CR0 0YN

Statement of Financial Position
31st December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Tangible assets	4		188,326		278,866
CURRENT ASSETS					
Debtors: amounts falling due within one year	5	1,400,977		1,576,654	
Cash at bank		<u>6,115,483</u>		<u>5,759,576</u>	
		7,516,460		7,336,230	
CREDITORS					
Amounts falling due within one year	6	<u>8,778,070</u>		<u>8,688,380</u>	
NET CURRENT LIABILITIES			<u>(1,261,610)</u>		<u>(1,352,150)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,073,284)</u>		<u>(1,073,284)</u>
RESERVES					
Income and expenditure account			<u>(1,073,284)</u>		<u>(1,073,284)</u>
			<u>(1,073,284)</u>		<u>(1,073,284)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 6th July 2021 and were signed on its behalf by:

D Nauth - Director

**Notes to the Financial Statements
for the year ended 31st December 2020**

1. GENERAL INFORMATION

Recolight Limited is a private company, limited by guarantee, registered in England and Wales under the Companies Act. The address of the registered office is shown on the company information page. The nature of the company's operations and its principal activities are outlined in the Strategic Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see below).

The following principal accounting policies have been applied:

Income and deferred income

Income is recognised to the extent that it is probable that the economic benefits will flow to the company and the income can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The majority of income represents receipts from members in respect of their obligations under the membership agreement (less value added tax).

Charges are raised against members, in accordance with the membership agreement, to cover estimated costs such as transport and recycling but also marketing and finance costs. However, in any accounting period only the actual costs incurred for services received in that period are taken into the results and any surplus income from members is treated as deferred income to be released against costs incurred in future periods when the end-of-life lamps do come back for recycling. In a year where a deficit is generated, the deferred income is released to income within the Statement of Income and Retained Earnings.

Other income includes revenues from container leases, charges for premium services, and sale of evidence if Recolight's collections exceed the target set by the Environment Agency.

Transport and recycling costs

The company has taken over the obligations of its members from the UK WEEE Regulations in respect of financing and managing the separate collection and treatment of waste Gas Discharge and LED lamps, luminaires and other waste in an environmentally sound manner. The company is committed to carrying out these responsibilities on a sustainable basis over the long term. The costs of transport and recycling include assumptions concerning volumes of products that will be returned for recycling.

Intangible assets

Intangible assets are initially recognised at costs. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The company's policy is to capitalise costs relating to licences that cover a period in excess of 1 year. These are amortised according to the length of the licence, currently between 1 and 20 years.

**Notes to the Financial Statements - continued
for the year ended 31st December 2020**

2. ACCOUNTING POLICIES - continued

Tangible assets

Tangible 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.

The company adds to the carrying amount of an item of tangible assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to income or expenditure during the period in which they are incurred.

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 bases:

Fixtures and fittings	- 25% per annum
Office equipment	- 33% per annum

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 disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

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 period of the lease.

Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a change attributable to an item of income and expense recognised as 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 reporting date in the countries where the company operates and generates income.

Foreign currency translation

The company's functional currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Pension costs and other post-retirement benefits

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 creditors as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Notes to the Financial Statements - continued
for the year ended 31st December 2020

2. ACCOUNTING POLICIES - continued

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.

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.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and 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.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 21 (2019 - 21) .

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Totals £
COST			
At 1st January 2020	3,304	413,851	417,155
Additions	-	41,189	41,189
At 31st December 2020	<u>3,304</u>	<u>455,040</u>	<u>458,344</u>
DEPRECIATION			
At 1st January 2020	2,478	135,811	138,289
Charge for year	826	130,903	131,729
At 31st December 2020	<u>3,304</u>	<u>266,714</u>	<u>270,018</u>
NET BOOK VALUE			
At 31st December 2020	<u>-</u>	<u>188,326</u>	<u>188,326</u>
At 31st December 2019	<u>826</u>	<u>278,040</u>	<u>278,866</u>

Notes to the Financial Statements - continued
for the year ended 31st December 2020

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade debtors	260,030	847,665
Other debtors	6,286	5,770
Tax	327	661
Prepayments and accrued income	1,134,334	722,558
	<u>1,400,977</u>	<u>1,576,654</u>

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

	31.12.20	31.12.19
	£	£
Trade creditors	477,072	478,977
Social security and other taxes	117,314	218,028
Other creditors	38,248	25,005
Accruals and deferred income	8,145,436	7,966,370
	<u>8,778,070</u>	<u>8,688,380</u>

The company manages a Producer Compliance Scheme for producers of lamps, luminaires, and other equipment so that the scheme members can discharge their collection and recycling obligations under the Waste Electrical and Electronic Equipment Regulations (WEEE) 2013 as amended.

Membership of the Recolight scheme means that the company takes on the member's collection and recycling liabilities under the WEEE regulations. Consequently, Recolight has a liability to meet future collection, treatment, recovery and environmentally sound disposal requirements that may arise for scheme members. The liability to Recolight arises, in the case of non-household products, whenever Recolight is contacted by a holder of waste that is obligated to Recolight in accordance with the WEEE regulations. In addition, Recolight has made statements in the market that have created a valid expectation amongst holders of waste lamps that it will continue to provide a collection and recycling service.

The board and management of the company review this liability on an annual basis using the quantity of product placed on the market, the level of collections made by the company, the equivalent weight of materials to be recycled, the anticipated life of the product and the total costs of collections, recycling and compliance. The fees charged by Recolight to its members create the deferred income to meet these future costs.

In addition, if a Recolight scheme member ceases to sell EEE for any reason, it no longer has any liability to pay fees to Recolight. Nevertheless Recolight retains a collection and recycling liability in respect of the member's products for the following compliance year.

7. **AUDITORS' INFORMATION**

The audit report provided to the members of Recolight Limited on the financial statements for the year ended 31 December 2020 was not qualified.

The audit report was signed by John Millidge (Senior Statutory Auditor) for and on behalf of Simpson Wreford & Partners, Chartered Accountants and Statutory Auditor.

Notes to the Financial Statements - continued
for the year ended 31st December 2020

8. CAPITAL COMMITMENTS

	31.12.20	31.12.19
	£	£
Contracted but not provided for in the financial statements	<u>42,674</u>	<u>10,000</u>

9. REVIEW OF BUSINESS

The principal activity of the company continued to be the operation of a Waste Electrical and Electronic Equipment (WEEE) Compliance Scheme on behalf of producers in the UK.

Recolight is the UK's leading lighting WEEE compliance scheme; since 2007, Recolight has funded the recycling of more waste lamps, luminaires and LEDs than all other UK WEEE schemes put together.

As an organisation owned and led by producers, Recolight is committed to ensuring that all it does is in the best short and long term interests of its producer members. Recolight continues to place great emphasis on growing its producer membership, and invests considerable resources in identifying non-compliant companies, and then encouraging them to become compliant by joining the Recolight scheme. This helps level the playing field for those who are already compliant.

Recolight is committed to effective engagement with relevant stakeholders. Recolight communicates regularly with its members, keeping them informed of proposed changes to the legislation, and helping them to comply. Recolight will continue to work closely with the Government and relevant agencies, appropriate industry forums, and its suppliers, to ensure the views and needs of its members are properly represented.

Recolight is pleased to be a full and active member of the Lighting Industry Association, the UK WEEE Scheme Forum (WSF), and the Industry Council for Electrical Recycling (ICER). Recolight is a founder member of EucoLight, the European Trade Association for lighting WEEE compliance schemes.

Recolight is also pleased to be invited as a guest to the Joint Trade Associations (JTA), a group of ten producer trade associations in the electrotechnical sector. The JTA works to ensure that the UK WEEE system is fair, and has also prepared comprehensive proposals for a compliance fee every year since this became an option in 2014. The JTA proposal was once again selected for the 2020 compliance period.

During the year Recolight successfully complied with its members' collection and recycling obligations under the WEEE regulations in the 2020 compliance period.

The Government set the national target for lamp recycling in 2020 at 4,553 tonnes. This was set at the same level as the actual 2019 collections, in recognition of the impacts of the COVID-19 pandemic on national collections. Recolight always welcomes stretching collection targets, and in a pandemic year, this proved no exception.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.