

Company Registration No. 00924379 (England and Wales)

ASM METAL RECYCLING LTD.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021



ASM METAL RECYCLING LTD.

COMPANY INFORMATION

Directors	P V McDonald C J Morgan P M McDonagh
Company number	00924379
Registered office	55 Station Road Beaconsfield Buckinghamshire HP9 1QL
Auditor	Rouse Audit LLP 55 Station Road Beaconsfield Buckinghamshire HP9 1QL

ASM METAL RECYCLING LTD.

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ASM METAL RECYCLING LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business

Our review is consistent with the size and non-complex nature of our business.

Development and performance

The company continues to operate in the metal recycling industry. Investment is continuing in new technology, plant, vehicles and personnel as part of our company philosophy. The company has over 30 years experience in providing metal recycling facilities to the commercial, demolition and construction industry. The introduction of our shredding plant to extract non ferrous metals from general metal arisings, continues to enhance productivity. Concern for the environment is an integral part of the company's business strategy and the company endeavours to work closely with the relevant statutory bodies to meet all applicable legislation.

The company's performance has recovered in 2021 after the 2020 results were significantly impacted by operational restrictions as a result of COVID-19 guidance. The lifting of government restrictions allowed the business to return to full capacity, as can be seen in the KPIs below.

Principal risks and uncertainties

The main risk to the continued success of the company is the pressure upon the supply of recyclable material, however the company has developed various maintainable supply lines for recyclable material and is thus well placed to manage this risk in an effective way.

The price of metal varies in accordance with the external market and we expect to see larger fluctuations as we move through 2022. The company manages this risk by regularly reviewing prices on both sides of the transaction in order to compensate for the price fluctuations.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts for both time and credit limits. Provision for doubtful debts is made as necessary.

Financial instruments

Liquidity risk

The company monitors and reviews liquidity risks regularly on an ongoing basis and also as part of the planning process. The board considers short term requirements against available sources of funding, taking into account cash flow and responds to any identified needs as necessary to support the business.

Credit risk

The company's credit risk relates to recovery of amounts owed by the customers for invoiced sales. The credit risk is managed by regular monitoring of outstanding amounts and through credit checks.

ASM METAL RECYCLING LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Key performance indicators

Our performance and the progress we have made against our strategic aims and against the objectives we have set ourselves are described below. We measure the achievement of our objectives both through the use of qualitative assessments and through monitoring of quantitative indicators. To provide a full and rounded view of our business, we use non-financial as well as financial measures. Although all these measures are important, some are considered to be more significant than others, and these more significant measures are designated as KPIs. KPIs are used as our primary measures of whether we are achieving our principal strategic aims of sustainable growth, superior financial performance and funding future growth.

Turnover, Gross Profit and Operating Profit

Gross profit margin for the period for the company was 15.1% (2020 : 14.9%) and operating profit margin was 7.2% (2020 : 3.0%). We seek to provide growth in earnings through improved efficiencies and operations in light of market conditions. Markets have proven to be difficult and we are seeking improved volumes to be able to command better sales prices which are volume related. The generation of earnings is essential to deliver growth and to fund future growth in the business. Overheads are reviewed, monitored and controlled by management through formal procedures including the preparation and review of quarterly management accounts.

Financial indicators

	30 September 2021	30 September 2020
Turnover	£59,034,371	£35,898,787
Gross Profit (%)	15.1%	14.9%
Operating Profit (%)	7.2%	3.0%

On behalf of the board

Paul McDonald

.....
P V McDonald
Director

27-Jun-2022
.....

ASM METAL RECYCLING LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company continued to be that of metal recycling.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P V McDonald
C J Morgan
P M McDonagh

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £300,000. The directors do not recommend payment of a further dividend.

Financial instruments

The risk management objectives and the exposure to risks are discussed within the strategic report on pages 1 to 2 in accordance with S414C(11).

Future developments

The future development of the company is discussed within the Strategic Report on page 1 to 2 in accordance with s414C (11).

Auditor

The auditor, Rouse Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

ASM METAL RECYCLING LTD.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Paul McDonald

.....
P V McDonald
Director

27-Jun-2022
.....

ASM METAL RECYCLING LTD.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASM METAL RECYCLING LTD.

Opinion

We have audited the financial statements of ASM Metal Recycling LTD. (the 'company') for the year ended 30 September 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

ASM METAL RECYCLING LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ASM METAL RECYCLING LTD.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

Rouse Audit LLP

David Sharp (Senior Statutory Auditor)
For and on behalf of Rouse Audit LLP

Date: 27-Jun-2022

Chartered Accountants
Statutory Auditor

55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

ASM METAL RECYCLING LTD.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	59,034,371	35,898,787
Cost of sales		(50,132,208)	(30,568,623)
Gross profit		8,902,163	5,330,164
Administrative expenses		(4,667,249)	(4,501,837)
Other operating income		27,628	234,021
Profit before taxation		4,262,542	1,062,348
Taxation	6	(1,000,063)	(267,592)
Total profit and comprehensive income		3,262,479	794,756

ASM METAL RECYCLING LTD.

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		5,765,555		5,888,551
Current assets					
Stocks	10	840,413		174,219	
Debtors	11	11,102,537		7,663,869	
Cash at bank and in hand		1,492		1,065	
		11,944,442		7,839,153	
Creditors: amounts falling due within one year	12	(9,632,471)		(8,882,518)	
Net current assets/(liabilities)			2,311,971		(1,043,365)
Total assets less current liabilities			8,077,526		4,845,186
Provisions for liabilities					
Deferred tax liability	14	684,360		414,499	
			(684,360)		(414,499)
Net assets			7,393,166		4,430,687
Capital and reserves					
Called up share capital	16		46,200		46,200
Profit and loss reserves			7,346,966		4,384,487
Total equity			7,393,166		4,430,687

The financial statements were approved by the board of directors and authorised for issue on 27-Jun-2022 and are signed on its behalf by:

Paul McDonald

.....
P V McDonald
Director

Company Registration No. 00924379

ASM METAL RECYCLING LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2019		46,200	6,589,731	6,635,931
Year ended 30 September 2020:				
Profit and total comprehensive income for the year		-	794,756	794,756
Dividends	7	-	(3,000,000)	(3,000,000)
Balance at 30 September 2020		46,200	4,384,487	4,430,687
Year ended 30 September 2021:				
Profit and total comprehensive income for the year		-	3,262,479	3,262,479
Dividends	7	-	(300,000)	(300,000)
Balance at 30 September 2021		46,200	7,346,966	7,393,166

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

ASM Metal Recycling LTD. is a private company limited by shares incorporated in England and Wales. The registered office is 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL. Its principal place of business is The Recycling Centre, Griffin Lane, Aylesbury, Bucks, HP19 8BB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Tasmar Limited. These consolidated financial statements are available from its registered office, 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL.

1.2 Going concern

The directors believe the business will have sufficient resources available in order to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Although the trade was significantly impacted by COVID-19, the company saw trade recover over the year after the initial shock of the pandemic. As a result the company remained profitable for the year and has seen trade return to expected levels since the yearend.

Consequently, the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis for preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts. Income is recognised on despatch of the goods.

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

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:

Improvements to property	10% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Financial assets

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The company contributes to a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Leases

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

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Bad debt provision

The trade debtors balances are regularly reviewed to identify any potential bad debts. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Depreciation of tangible fixed assets

The company establishes a reliable estimate of the depreciation of tangible fixed assets. The estimate is based on the expected useful life of the assets held.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover		
Sales	59,034,371	35,898,787

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(27,628)	(234,021)
Fees payable to the company's auditor for the audit of the company's financial statements	14,700	14,700
Depreciation of owned tangible fixed assets	1,078,297	1,066,976
Loss on disposal of tangible fixed assets	65,492	35,335
Operating lease charges	438,429	442,988

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Office	3	3
Sales & Distribution	77	82
Total	80	85

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,627,779	2,682,344
Social security costs	263,689	257,666
Pension costs	73,042	82,972
	2,964,510	3,022,982

6 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	730,202	184,546
Deferred tax		
Origination and reversal of timing differences	269,861	83,046
Total tax charge	1,000,063	267,592

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	4,262,542	1,062,348
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	809,883	201,846
Tax effect of expenses that are not deductible in determining taxable profit	5,556	6,134
Effect of change in corporation tax rate	-	38,994
Permanent capital allowances in excess of depreciation	17,814	17,814
Deferred tax adjustments in respect of prior years	164,246	-
Other tax adjustments	2,564	2,804
Taxation charge for the year	1,000,063	267,592

7 Dividends

	2021 £	2020 £
Final paid	300,000	3,000,000

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Tangible fixed assets

	Improvements to property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2020	1,449,294	8,464,149	334,145	2,505,982	12,753,570
Additions	-	1,187,986	-	30,317	1,218,303
Disposals	-	(532,500)	-	(21,260)	(553,760)
At 30 September 2021	1,449,294	9,119,635	334,145	2,515,039	13,418,113
Depreciation and impairment					
At 1 October 2020	1,028,188	4,347,570	202,545	1,286,716	6,865,019
Depreciation charged in the year	93,760	660,780	19,740	304,017	1,078,297
Eliminated in respect of disposals	-	(276,115)	-	(14,643)	(290,758)
At 30 September 2021	1,121,948	4,732,235	222,285	1,576,090	7,652,558
Carrying amount					
At 30 September 2021	327,346	4,387,400	111,860	938,949	5,765,555
At 30 September 2020	421,106	4,116,579	131,600	1,219,266	5,888,551

9 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Totternhoe Metal Recycling Limited	England and Wales	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Totternhoe Metal Recycling Limited	1,000	

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	840,413	174,219

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	9,624,958	5,973,210
Corporation tax recoverable	-	26,741
Other debtors	-	11,900
Prepayments and accrued income	361,579	536,018
	<u>9,986,537</u>	<u>6,547,869</u>
Amounts falling due after more than one year:		
Other debtors	<u>1,116,000</u>	<u>1,116,000</u>
Total debtors	<u>11,102,537</u>	<u>7,663,869</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Notes		
Bank loans and overdrafts	195,978	2,990
Trade creditors	2,750,923	1,987,544
Amounts owed to group undertakings	4,034,000	5,089,108
Corporation tax	351,211	-
Other taxation and social security	1,027,317	545,943
Other creditors	1,201,489	1,181,128
Accruals and deferred income	71,553	75,805
	<u>9,632,471</u>	<u>8,882,518</u>

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred tax liabilities	14	684,360	414,499

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	684,360	414,499
Movements in the year:		2021 £
Liability at 1 October 2020		414,499
Charge to profit or loss		269,861
Liability at 30 September 2021		684,360

15 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	73,042	82,972

The company contributes to a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Share capital

	2021 £	2020 £
Ordinary share capital		
23,580 ordinary shares of £1 each	23,580	23,580
1,310 ordinary A shares of £1 each	1,310	1,310
1,310 ordinary B shares of £1 each	1,310	1,310
2,000,000 class E shares of £0.01 each	20,000	20,000
	<u>46,200</u>	<u>46,200</u>

Ordinary Shares

Ordinary Shares carry full voting rights. They carry the right to receive notice of and attend any meeting of the shareholders of the company. On winding up, only to the extent that there are assets available to be distributed to the shareholders of the company, each holder shall be entitled to a sum proportionate to his share of the ordinary share capital.

The "A" and "B" Ordinary Shares of £1 each rank equally with the Ordinary Shares of £1 each as regards voting and capital distribution rights including on winding up; neither the "A" nor the "B" Ordinary Shares confer any rights of redemption.

Class E Shares

The Class E Shares carry no voting rights. They do not carry any right to receive notice or attend meetings of shareholder. In the event of winding up, to the extent that there are assets available each shareholder shall be entitled to £0.01 per E-Share. Such payment shall rank in priority to the payment in respect of other classes of share.

Dividends

As regards dividends the "A" and "B" Ordinary Shares of £1 each rank equally with the Ordinary Shares of £1 each and the "E" Ordinary Shares of £1 each except that the directors, in their absolute discretion and subject to compliance with the Companies Act may pay differing rates of dividend on each class of share. E Shares are allotted £0.01 paid, £0.99 uncalled.

17 Financial commitments, guarantees and contingent liabilities

The company is part of a VAT group registration scheme with its group undertakings, ASM Auto Recycling Limited, Tasmar Limited and SMD Property Management Limited. Therefore all companies are jointly and severally liable for all VAT liabilities of the group.

ASM METAL RECYCLING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 Related party transactions

During the year ended 30 September 2021 the company made purchases of £5,051,970 (2020: £3,032,114) from a connected company. During the year, recharges totalled £277 (2020: £812). At the yearend 30 September 2021 an amount of £627,475 (2020: £310,738) was due to the connected company.

During the year ended 30 September 2021, the company paid management charges of £840,000 (2020: £840,000) to it's parent company, Tasmar Limited. At the year end the balance due to the parent company was £3,401,300 (2020: £4,763,615).

19 Ultimate controlling party

In the current and previous financial year the company is a 90% subsidiary of Tasmar Limited, a company registered in England and Wales.

The ultimate controlling party in the current and previous financial year is S C P McDonagh by virtue of his majority shareholding in Tasmar limited.

The group comprises Tasmar Limited, ASM Auto Recycling Limited and ASM Metal Recycling Limited. The group for which group accounts are prepared is that headed by Tasmar Limited, a copy of group accounts is publicly available from 55 Station Road, Beaconsfield, Buckinghamshire, HP9 1QL.